SUPREME COURT, U.S.
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No.

In the Supreme Court of the United States

SOUTHERN BUILDING CODE CONGRESS INTERNATIONAL, INC.,

Petitioner,

v.

PETER VEECK D/B/A REGIONAL WEB,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

Petitioner is a not-for-profit organization whose members are state and local governments and agencies as well as architects, engineers, builders, and manufacturers. It creates copyrighted "standard codes" to be adopted as technologically current, uniform requirements to be used by architects, engineers and builders. Its standard codes have been adopted through "incorporation by reference" by federal agencies and thousands of state and local governments throughout the country. Like other not-for-profit organizations that develop model codes and standards, petitioner supports this service by obtaining revenue from the sale of its copyrighted materials.

Respondent purchased from petitioner a copy of certain codes that had been incorporated by reference in the local building requirements of two Texas towns. Despite the restrictions in the copyright license, he posted the copyrighted material on his website. This litigation concerning the enforceability of petitioner's copyrights followed. On rehearing *en banc*, the Fifth Circuit, in conflict with other circuits, held by a 9-6 vote that such privately-authored standard codes, once adopted by governments, lose their copyright protection. The important questions thus posed are:

1. Are not-for-profit organizations that create copyrighted model codes and standards divested of their rights under the Copyright Act when a federal agency or a state or local government adopts requirements that incorporate the copyrighted material by reference?

2. Is there a due-process "right of access to the law" that invalidates the statutory copyrights of privately-developed model codes and standards once governments incorporate them by reference, even when the model codes and standards are widely and readily accessible to potential users on reasonable terms?

RULES 29.6 AND 14.1 STATEMENT

Petitioner Southern Building Code Congress International, Inc., is a not-for-profit corporation and has no parent corporation or outstanding stock.

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OPINIONS BELOW

The opinion of the district court granting SBCCI's motion for summary judgment and granting a permanent injunction and monetary damages (Pet. App. 102a) is reported at 49 F. Supp. 2d 885. The divided opinion (Pet. App. 67a) of the panel of the court of appeals affirming the judgment is reported at 241 F.3d 398. The divided opinion (Pet. App. 1a) of the *en banc* court reversing the judgment is reported at 293 F.3d 791.

JURISDICTION

The district court had jurisdiction under 28 U.S.C. §§ 1331, 1332, and 1338. The original judgment of the court of appeals affirming the district court's judgment was entered on February 5, 2001. A timely petition for rehearing *en banc* was granted on October 27, 2001. The judgment of the court of appeals *en banc* reversing and remanding with directions to dismiss SBCCI's claims was entered on June 7, 2002. This Court has jurisdiction to review the case under 28 U.S.C. § 1254.

STATUTORY PROVISIONS INVOLVED

The relevant provisions of the Copyright Act, 17 U.S.C. §§ 101, 105 and 201(e), and the National Technology Transfer and Advancement Act of 1995, Pub. L. No. 104-113 § 12(d), 110 Stat. 775, codified at 15 U.S.C. § 272 Note, are set forth in Pet. App. 117a-118a.

STATEMENT

1. ***SBCCI and other code-writing organizations.*** SBCCI is a not-for-profit organization whose primary purpose, since 1940, has been to create uniform "model codes" to guide the safe design, construction and operation of commercial and residential buildings. Its membership includes 2,500 cities, counties, states and governmental agencies as well as 14,000 architects, engineers, building contractors, trade associations, and manufacturers. SBCCI drafted and holds registered copyrights in the five codes at issue in this case: the Standard Building Code,

the Standard Gas Code, the Standard Plumbing Code, the Standard Mechanical Code, and the Standard Fire Prevention Code.

Code-writing entities like SBCCI make available standardized, expertly prepared, and regularly revised model codes to state and local governments across the country. Most municipalities, like the small communities involved in this case, lack the resources needed to prepare such complex codes themselves. The activities of organizations developing model codes and standards have burgeoned in the last two decades as more and more towns and cities decide that taking advantage of the work of organizations like SBCCI is the most cost-effective way to adopt sound technical requirements and keep them up to date. This approach also provides architects, engineers, contractors and manufacturers with uniform standards that do not vary materially from locale to locale.

Over the years, thousands of local governments have adopted some or all of SBCCI's model codes as part of their local building requirements. These carefully organized codes are lengthy and detailed, often running into several hundred pages of technical text, so virtually all governments simply incorporate them by reference rather than enact the full text itself in a local law or ordinance.

SBCCI, like most code-drafting organizations, finances a large part of its work through sales of its model codes to the professionals who utilize them. All the codes SBCCI publishes concern technical matters of immediate concern only to professionals and tradespeople in the building industry, including architects, engineers and builders. Since these are uniform or model codes, a single copy may suffice to inform the professional about the precise requirements applicable to doing business in a vast number of localities.

2. ***Widespread and easy availability of the codes.*** SBCCI permits municipalities to incorporate its codes into their laws

without charge. Those municipalities typically make copies of the codes available in their offices for public inspection. Copies can also be ordered easily through SBCCI's website or by telephone and are available on amazon.com and in many bookstores and libraries. Purchasing model codes from SBCCI's website (www.sbcci.org) is straightforward—and generally easier than reviewing the codes in the offices of the jurisdictions that have adopted them. SBCCI's home page features a left-border menu identifying its "Order & Price List," which produces a pop-up menu from which visitors can select the codes and edition of interest. A package of all five codes at issue in this case (Building, Plumbing, Fire Prevention, Gas, and Mechanical) costs $175 for members and $262.50 for nonmembers, and an automatic 5% discount is applied to all internet orders. (CD-ROM versions are slightly more expensive, because they contain additional material.) Checkout is simple and similar to major commercial websites.

Any person can apply for membership online. Annual membership dues are reasonable ($40 per year for a city with population below 5,000, such as the two towns involved in this case; $25 for students; $50 for individual professionals; and $150 for a company or manufacturer). Membership entitles the applicant to receive expert code interpretations by SBCCI engineers and to obtain significant discounts on the codes themselves. Members are given frequent updates and notices concerning the code-drafting process, a process open to the public in which anyone may submit proposed changes and participate in the debate regarding those changes. In addition, governmental units receive a complete set of SBCCI's codes free when they join, and individual professionals receive a free copy of one code of their choice. Even without these free copies, any interested person can acquire a complete set of the five lengthy and complex technical codes for less than $220. The five codes total 1,082 pages in length, so acquiring them through SBCCI costs about 20 cents per page, far less than the amount often charged for

photocopying statutes and cases in public libraries or municipal offices.

3. ***Veeck's infringement of SBCCI's copyrights.*** Respondent Peter Veeck controls and operates Regional Web, a website presenting information of interest in the area around Veeck's home town, Denison, Texas. Veeck decided to post the entire text of five of SBCCI's model codes on his website because they had been incorporated by reference into the building codes of two small, nearby Texas towns, Savoy and Anna. Veeck, who is retired, is not regulated by those codes. He does not live in Savoy or Anna, and he is not (and never was) involved in the building industry. Pet. App. 35a.

Veeck's efforts to obtain copies of SBCCI's codes began with two visits to the clerk's office in Anna. As is common in small, understaffed municipal offices (Anna's and Savoy's populations are both below 1,000), he found the clerk away or the office closed. When he visited Savoy, he was told that the codes were in the Public Works office, but chose not to pursue that information. According to Veeck's testimony, the codes were available in both Anna and Savoy. Indeed, he knew of no municipality in which the codes were not available for review and copying in town offices. Area libraries also held copies of the codes. But Veeck found the municipal services of these tiny towns inconvenient, so he decided to take advantage of the ready availability of the codes through SBCCI itself. For $385 he purchased copies of the lengthy codes on floppy disk via a telephone order. When he received them, he cut and pasted the entire text, the equivalent of some 1,082 printed pages of the copyrighted model codes, onto his website, but purposefully omitted all of SBCCI's copyright notices.

The fact that the model codes were copyrighted was evident to Veeck. The packaging in which the disks were shipped—which he had to rip through to get to the disks—bore prominent, standard copyright warnings. By opening and using the codes, Veeck agreed to the conditions of the licensing

agreement. By publishing the entire texts on his website he disregarded that agreement and infringed the copyrights.

4. *Decision below.* When SBCCI discovered that Veeck had violated its copyrights, it sent him a cease and desist letter. Veeck responded by filing suit in the United States District Court for the Eastern District of Texas, seeking a declaratory judgment that his actions were exempt from the dictates of copyright law. SBCCI counterclaimed for copyright infringement, breach of contract, and unfair competition.

The district court decided all issues in SBCCI's favor. See 49 F. Supp. 2d 885 (E.D. Tex. 1999), Pet. App. 102a. Recognizing that the model codes are copyrighted, Judge Folsom examined and rejected Veeck's arguments that adoption into law stripped the codes of their copyright protection. Addressing Veeck's argument that protecting SBCCI's copyright was a violation of the public's due process "right to access the law," the court found on the basis of undisputed evidence that the codes *were* readily available in the cities in which they had been adopted. Pet. App. 106a-109a.

The court then turned to Veeck's "merger" defense. Merger in copyright law is an outgrowth of the rule that only expression, not the facts or ideas that are expressed, may be copyrighted. Merger occurs when idea and expression coincide—principally, when there is only one way of expressing an idea, such as where the idea is a mathematical formula expressible only by stating that formula. Merger precludes copyright. The court found that there is nothing like merger in this case: there is no idea of which SBCCI's model codes are the unique expression because the requirements of building codes can be expressed in many different ways. Pet. App. 109a. The court dismissed Veeck's misuse, waiver and fair use defenses, sustained SBCCI's infringement claim, awarded statutory damages, and imposed a permanent injunction. Pet. App. 110a-115a.

Veeck appealed. A panel of the Fifth Circuit affirmed all aspects of the decision below. See 241 F.3d 398, Pet. App. 67a. The full court then granted rehearing *en banc*, and, in a deeply divided 9-to-6 decision, reversed. 293 F.3d 791 (*en banc*), Pet. App. 1a. The division within the court reflected the sharply varying submissions made by various governmental bodies and other standards-setting and code-drafting organizations as *amici curiae*. The majority's sweeping opinion rested on two grounds: first, that it is impossible to copyright "the law;" second, that draft codes merge with the law when adopted by a legislative body and thus are stripped of copyright protection.

Like the decisions by the district court and the panel, the majority opinion began with the unassailable proposition that "SBCCI indisputably holds a copyright in its model building codes." Pet. App. 4a. But then the majority rejected the holding of two other circuits and concluded that, once adopted, model codes and standards lose their copyright protection.

The majority interpreted *Wheaton* v. *Peters*, 33 U.S. (8 Pet.) 591 (1834), and *Banks* v. *Manchester*, 128 U.S. 244 (1888), which held that judicial opinions are not copyrightable, as creating a staggeringly broad exception to the Copyright Act. According to the majority, *Banks* meant that there is a "due process" right of access to the law and that, even when there is easy access to "the law"—and there is, therefore, no constitutional problem with upholding copyright—"the law" simply cannot be copyrighted. Pet. App. 7a. Turning to merger, the majority announced, without citation or analysis, that "codes are 'facts' under copyright law," and "[i]t should be obvious that for copyright purposes, laws are 'facts.'" Pet. App. 17a-18a. Having assumed its conclusion, the court declared that the merger doctrine extinguished SBCCI's copyright. Pet. App. 19a-20a.

Six judges dissented. The first dissent, authored by Judge Higginbotham and joined by three others, concluded that the court should have respected the choice made by each municipality to

adopt copyrighted codes rather than to draft codes itself. The majority's holding meant "as a matter of federal common law[] that the choice made by the voters of this municipality was not available to it." Pet. App. 28a. Stressing that it is for Congress to decide whether to alter the Copyright Act to comport with changes in technology, Judge Higginbotham concluded: The majority's belief that it "should invalidate an otherwise valid copyright * * * comes with no constitutional or statutory text, except its reliance upon the merger doctrine, and that is wordplay." Pet. App. 31a.

Judge Wiener wrote the second dissent, joined by all six dissenting judges. He objected that the majority was taking a dramatic step away from copyright law without any truly apposite precedents from this Court and in a manner that conflicted with decisions in other circuits, with congressional pronouncements, and with federal agency actions. Pet. App. 37a-39a. The dissenters observed that SBCCI and other standards-setting organizations perform a valuable function and need sales revenues to continue their work and maintain their independence. The dissent emphasized that, in this case, there is no actual problem with "access to the law" and that, if a problem of restricted access were ever to arise, the copyright law's doctrines of fair use and implied license would be quite sufficient to assure reasonable access without holding that every model code automatically loses its copyright protection as soon as a municipality incorporates it. The dissenters concluded, therefore, that "as a matter of law, * * * despite being adopted into law, SBCCI's codes are not in the public domain." Pet. App. 52a.

REASONS FOR GRANTING THE WRIT

I. THE FIFTH CIRCUIT'S SHARPLY DIVIDED *EN BANC* DECISION CONFLICTS WITH DECISIONS OF THE SECOND AND NINTH CIRCUITS AND SERIOUSLY DISTORTS FEDERAL COPYRIGHT LAW ON AN IMPORTANT ISSUE REQUIRING UNIFORMITY.

A. A Clear Conflict Exists.

The Fifth Circuit's decision holds that not-for-profit organizations that author copyrighted model codes and standards lose their copyright protection when a governmental body incorporates the model code by reference. By contrast, two other circuits have explicitly held that adoption into law of privately-written model standards does not destroy the private entity's copyright. *Practice Management Info. Corp.* v. *American Medical Ass'n*, 121 F.3d 516, 518 (9th Cir.), cert. denied, 522 U.S. 933 (1997), opinion amended on other grounds, 133 F.3d 1140 (9th Cir. 1998); *CCC Information Services, Inc.* v. *Maclean Hunter Market Reports, Inc.*, 44 F.3d 61 (2d Cir. 1994), cert. denied, 516 U.S. 817 (1995). Most of the model codes drafted by organizations like the SBCCI have been adopted by local governments within several circuits. Thus, a particular model code will be either protected or unprotected depending solely on the circuit in which an unauthorized publisher sues for a declaration that his action is immune from the Copyright Act or the copyright holder sues to enforce its copyright. This result of the decision below creates chaos on an important issue of federal law, since the legal status of a particular code will turn on which side wins the race to a court house in a circuit with favorable law. This type of conflict presents a classic case for certiorari.

Moreover, the conflict is even broader than the Fifth Circuit itself acknowledged. The majority relied heavily on a statement in a First Circuit case, *Building Officials & Code Administrators* v. *Code Technology, Inc.*, 628 F.2d 730 (1st Cir. 1980) ("*BOCA*"), that copyright protection in these circumstances may be

inconsistent with the "public's essential due process right of free access to the law[,]including a necessary right freely to copy and circulate all or part of a given law." 628 F.2d at 736. But the Fifth Circuit placed more weight on *BOCA* than this assertion was intended to have.

The district court in *BOCA* had entered a preliminary injunction preventing the defendant from distributing its own copies of the Massachusetts building code, which was based largely on a copyrighted model code. The First Circuit vacated that preliminary relief but "stop[ped] short * * * of ruling definitely on the underlying legal issues, since we feel that our final judgment should await [a] more complete hearing on the merits." *Id.* at 732. This cautious ruling, made in 1980, was informed by the First Circuit's prescient observation that the question

> "may be of importance in view of a possible trend towards state and federal adoption, either by means of incorporation by reference or otherwise, of model codes. * * * Groups such as BOCA serve an important public function; arguably they do a better job than could the state alone in seeing that complex yet essential regulations are drafted, kept up to date and made available." *Id.* at 736.

After noting that code-drafting organizations were coming to serve an increasingly "important public function," the First Circuit left open the possibility that the copyright exception recognized in the nineteenth century decisions in *Banks* and *Wheaton* (which held only that judicial opinions may not be copyrighted) should be adapted "to accommodate modern realities" of drafting technical codes. *Ibid.* After further litigation on remand, as BOCA noted in one of the several *amicus* briefs filed in the court below, the final order in the case recited that the defendant eventually "acknowledge[d] the validity of Plaintiff's [BOCA's] copyright in suit and infringement thereof by the publishing" of the code that was based on BOCA's copyrighted model code.

Decisions by other circuits since the First Circuit's decision in *BOCA* have refused to follow the statement on which the majority below relied and instead have concluded that modern copyright law secures to the authors of model codes the protection their creativity has earned. The model code considered by the Ninth Circuit in *Practice Management* was the American Medical Association's coding system for identifying medical procedures, the CPT. Congress had ordered the federal Health Care Financing Administration ("HCFA") to produce a uniform code for doctors to use in identifying procedures on Medicare and Medicaid claim forms. 121 F.3d at 517. The HCFA decided simply to adopt the CPT and promulgated regulations requiring the code to be used on Medicaid forms. *Id.* at 518. The plaintiff, a publisher of medical books, sought a declaratory judgment that "the CPT became uncopyrightable law when HCFA adopted the regulation mandating use of CPT code numbers in applications for Medicaid reimbursement." *Ibid.* The district court granted summary judgment for the American Medical Association and the Ninth Circuit affirmed.

The plaintiff's argument there, like Veeck's, rested primarily on *Banks,* in which this Court held, drawing on *Wheaton*, that a state supreme court's opinions cannot be copyrighted. The Ninth Circuit identified two grounds for that decision. First, as the work of public officials paid by the public, judicial opinions are always in the public domain. *Ibid.* The court observed that, while judges who are paid a salary to write opinions do not need financial incentives to do so, private entities that write codes later adopted into law need the financial incentives provided by copyright law in order to create their works. *Ibid.* Stripping private code-writing bodies of their copyright protection would seriously damage the industry:

> "As the AMA points out, invalidating its copyright on the ground that the CPT entered the public domain when HCFA required its use would expose copyrights on a wide range of privately authored model codes, standards, and reference

works to invalidation. Non-profit organizations that develop these model codes and standards warn they will be unable to continue to do so if the codes and standards enter the public domain when adopted by a public agency." *Id.* at 518–519.

The second rationale of *Banks* was "the due process requirement of free access to the law." *Id.* at 519. But, just as in this case, there was no evidence that copyright protection impeded access. *Ibid.* Even if such a problem arose, the court reasoned that it would be better dealt with from within copyright law, through the doctrines of fair use and mandatory licensing, or "due process defenses" for infringers, rather than by stripping the codes of copyright protection. *Ibid.* Rejecting the plaintiff's merger argument, *id.* at 520 n. 8, the Ninth Circuit held that incorporation into law did not extinguish the AMA's copyright.

The Second Circuit's decision in *CCC Information Services* reached the same result. The copyright holder published a book of used car valuations, the *Red Book*. Another entity, CCC Information Services, loaded large portions of the *Red Book* onto its computer network and republished it to consumers in various forms, including averaging *Red Book* prices with those of a competitor, the *Bluebook*. *CCC Information Services, Inc.*, 44 F.3d at 63–64. These *Red Book / Bluebook* average valuations were adopted in several state statutes as a standard for insurance payments upon the total loss of a vehicle. *Id.* at 64. CCC argued that "the *Red Book* has come into the public domain as the result of its adoption in state statutes regulating the amount of insurance payments," *ibid.*, and that the *Red Book* was unprotected by copyright because it fell under the "merger" rule, *id.* at 68.

The Second Circuit rejected both arguments. In its discussion of CCC's public-domain argument, the court refused "to hold that a state's reference to a copyrighted work as a legal standard for valuation results in loss of the copyright." *Id.* at 74; see also *County of Suffolk* v. *First American Real Estate Solutions*, 261 F.3d 179, 193–195 (2d Cir. 2001) (rejecting related "public

domain" argument). The court noted that the opposite rule would nullify the copyrights of any books designated as required reading by state or local educational authorities, because students would not be able to comply with the law without accessing material under the private control of its copyright owners. The court also observed that the leading treatise, NIMMER ON COPYRIGHT, agreed that adopted codes should not lose their copyright protection. Finally, the court was concerned that a contrary holding would violate the Takings Clause. *CCC Information Services, Inc.*, 44 F.3d at 74.

Thus, there is a square conflict among the circuits on the question whether not-for-profit organizations lose their copyrights once a governmental entity requires that the provisions of their model codes and standards be followed.[1]

B. The Fifth Circuit's *En Banc* Decision Misconstrued the Copyright Act.

1. The Copyright Act reflects a well established and fundamental constitutional policy. Congress is empowered to make laws "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." U.S. CONST. art. I, § 8, cl. 8. From the earliest days of the Republic, Congress has protected the rights of copyright holders. *Sony Corp. of America* v. *Universal City Studios, Inc.*, 464 U.S. 417, 460 (1984) ("This Nation's initial copyright statute was passed by the First Congress"). Indeed, "statutory copyright protections were

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[1] The majority attempted to deny that its decision created a conflict, invoking a fanciful distinction between model "codes" and model "standards." It takes little reflection to appreciate, however, that neither in principle nor in practice does the label attached to an organization's proposals make any difference under the Copyright Act or the due process clause. Once a government entity adopts an organization's copyrighted proposals and requires compliance with them, their legal and practical status is the same.

enacted even before adoption of the Constitution. In 1783, the Continental Congress passed a resolution recommending that the States secure copyright protections for authors." *Feltner* v. *Columbia Pictures Television, Inc.*, 523 U.S. 340, 350 (1998).

The key purpose of the copyright law is to create incentives to produce work valuable to the public generally. "A copyright, like a patent, is 'at once the equivalent given by the public for benefits bestowed by the * * * skill of individuals, and the incentive to further efforts for the same important objects.'" *Fox Film Corp.* v. *Doyal*, 286 U.S. 123, 127–128 (1932). "The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in 'Science and useful Arts.'" *Mazer* v. *Stein*, 347 U.S. 201, 219 (1954).

The plain language of the Copyright Act guarantees that copyrighted model codes and standards retain their protected status even when adopted and incorporated as legal requirements. A copyright in a work "vests initially in the author or authors of the work." 17 U.S.C. § 201(a). Every opinion filed in this case has acknowledged that SBCCI acquired valid copyrights in its model codes when it created the works.

The *en banc* majority, however, held that those copyrights were divested once a local government acted to adopt the model codes and incorporated them by reference as requirements to be observed. This holding, however, flies in the face of the plain language of the Copyright Act. Crucially, Congress has declared that copyrights may not be divested from their owners, even by the actions of government:

> "**Involuntary Transfer.**—When an individual author's ownership of a copyright, or of any of the exclusive rights under a copyright, has not previously been transferred voluntarily by that individual author, *no action by any*

> *governmental body or other official or organization purporting to seize, expropriate, transfer, or exercise rights of ownership* with respect to the copyright, or any of the exclusive rights under a copyright, *shall be given effect* under this title, except as provided under title 11 [regarding bankruptcy]." 17 U.S.C. § 201(e) (emphasis added).

As reflected in the unambiguous terms of the statute, the "purpose of this subsection is to reaffirm the basic principle that the United States copyright of an individual author shall be secured to that author, and cannot be taken away by any involuntary transfer." H.R. Rep. No. 1476, 94th Cong., 2d Sess. 173 (1976). This statutory protection has been understood as protecting the creators of model codes such as SBCCI's:

> "If, for example, a building code is written by a private author and is otherwise sufficiently original and expressive to qualify for copyright protection, then those facts do not change because of any action by a legislative body. Indeed, the text of the Copyright Act [in § 201(e)] itself prohibits such a change in copyright status, and arguably prohibits any action by a legislative body that would invalidate a copyright even with due process and just compensation." Trotter Hardy, *The Copyrightability of New Works of Authorship: "XML Schemas" as an Example*, 38 Hous. L. Rev. 855, 878 (2001).

SBCCI has never voluntarily transferred any of its copyrights in its codes. It encourages governments to *adopt* its codes, but always explicitly reserves its copyrights. Section 201(e) declares that the actions of governments in adopting SBCCI's codes *cannot* terminate or expropriate SBCCI's copyrights, yet that is precisely the effect the Fifth Circuit attributed to the actions of localities in adopting SBCCI's codes.

2. Congress and the executive branch have implemented these statutory policies by assuring that the federal government's use or incorporation of copyrighted model codes and standards will not jeopardize the copyrights. For example, 17 U.S.C. § 105

provides that copyright protection "is not available for any work of the United States Government." A savings clause had been proposed "to make clear that the copyright protection of a private work is not affected if the work is published by the Government," but this assurance was considered superfluous, because the definition of "work of the United States Government" excluded privately authored works. H.R. Rep. No. 1476, 94th Cong., 2d Sess. 60 (1976). The committee observed that "publication *or other use* by the Government of a private work would not affect its copyright protection in any way." *Ibid.* (emphasis added). As the Solicitor General has advised the Court, this language means: "Nothing in the Copyright Act * * * would permit a termination of copyright protection" in the circumstances of the *Practice Management* case, *supra*, in which a federal agency, in lieu of creating and promulgating its own billing codes, had required Medicaid participants to use the AMA's copyrighted system of codes. See Brief of United States as *Amicus Curiae* in *Practice Management Info. Corp.* v. *American Medical Ass'n*, No. 97-1254, at 7 & n.9 (Aug. 1998).

The congressional policy flouted by the *en banc* majority in this case also has found expression in the National Technology Transfer and Advancement Act of 1995, Pub. L. No. 104-113 § 12(d), 110 Stat. 775, codified at 15 U.S.C. § 272 Note. In that Act, Congress commanded that federal agencies take advantage of the work of standards-setting organizations wherever possible. All federal agencies and departments "shall use technical standards that are developed or adopted by voluntary consensus standards bodies, using such technical standards as a means to carry out policy objectives or activities," unless "inconsistent with applicable law or otherwise impractical."

Pursuant to the Act, the Office of Management and Budget issued instructions on the use of privately-developed, consensus-based standards, explaining that such model codes and standards

"a. Eliminate the cost to the Government of developing its own standards and decrease the cost of goods procured and the burden of complying with agency regulation.

"b. Provide incentives and opportunities to establish standards that serve national needs.

"c. Encourage long-term growth for U.S. enterprises and promote efficiency and economic competition through harmonization of standards.

"d. Further the policy of reliance upon the private sector to supply Government needs for goods and services." OMB Circular No. A-119, 63 Fed. Reg. 8545, 8554-55 (revised 1998), *available at* http://www.whitehouse.gov/omb/circulars/a119/a119.html.

The OMB recognized, however, that the only way to effectuate Congress's desire to have federal agencies rely so extensively on the work of standards-setting organizations was to protect the copyrights of those organizations. Accordingly, OMB directed: "If a voluntary standard is used and published in an agency document, ***your agency must observe and protect the rights of the copyright holder and any other similar obligations***." *Ibid.* (emphasis added). The Fifth Circuit's ruling thwarts that congressional purpose as OMB recognized it.

3. Despite these unambiguous provisions of federal law, the *en banc* majority invented an exception to the copyright owned by drafters of model codes, holding that adoption into law throws the codes into the public domain. Short of a constitutional violation, the court needed at least a statutory hook in the Copyright Act on which to hang such an exception. It had none. Instead it relied on a contorted interpretation of this Court's 1888 decision in *Banks*, which involved the question whether opinions of a state supreme court may be copyrighted. The Court there had concluded:

"Judges, as is well understood, receive from the public treasury a stated annual salary, fixed by law, and can

> themselves have no pecuniary interest or proprietorship, as against the public at large, in the fruits of their judicial labors * * * and there has always been a judicial *consensus*, from the time of the decision in the case of *Wheaton* v. *Peters*, 8 Pet. 591, that no copyright could under the statutes passed by Congress, be secured in the products of the labor done by judicial officers in the discharge of their judicial duties. The whole work done by the judges constitutes the authentic exposition and interpretation of the law, which, binding every citizen, is free for publication to all, whether it is a declaration of unwritten law, or an interpretation of a constitution or a statute." 128 U.S at 253.

Unlike the majority below, the Second and Ninth Circuits correctly concluded that *Banks* rests upon two principles, neither of which justifies abrogating a standards-setting body's copyright. See *First American Real Estate Solutions*, 261 F.3d at 194; *Practice Management Info. Corp.*, 121 F.3d at 518. First, the passage makes clear that the product of *public employees* performing government work belongs to the people: "[T]he public owns the opinions because it pays the judges' salaries." *Practice Management Info. Corp.*, 121 F.3d at 518; see *First American Real Estate Solutions*, 261 F.3d at 193. Second, the constitutional "due process requirement of free access to the law" may prevent government officials from claiming "copyright" ownership that restricts dissemination of information about the terms of "the law" they create. 121 F.3d at 519; 261 F.3d at 193–94. As the other circuits have recognized, however, neither principle in *Banks* (or in any other decision of this Court construing the copyright law) applies to *privately* created model codes that *were validly copyrighted when first created and published* and that *remain easily accessible* after they are incorporated by local governments.

SBCCI's "indisputably" valid copyrights are congressionally-created rights; derogation from those rights can only be grounded in the Copyright Act itself, or in the Constitution. What the

Solicitor General said in his *amicus* brief in *Practice Management Info. Corp.* v. *American Medical Ass'n*, supra, at 7, applies equally here: "This case * * * concerns the termination of copyright protection for a work that was concededly entitled to such protection at the time it was written. Nothing in the Copyright Act—either at the time of *Banks* or at present—would permit a termination of copyright protection in these circumstances."

As the dissent below pointed out, metaphorical references to "free accessibility to the law" do not change this conclusion. The district court found on the basis of uncontroverted evidence that SBCCI's model codes were easily accessible to anyone who needed to consult these specialized technical materials. Indeed, they were more accessible through their creator, SBCCI, than they were through the small hamlets that chose to incorporate them by reference.

Moreover, the fact that Veeck and any other potential user of the model codes must pay a fee to obtain a copy of the full text of the copyrighted material does not create a genuine constitutional issue. "Free accessibility" of the law does not necessarily mean unlimited copying for free. Veeck did not want mere *access* to the building codes of the two towns. He could have consulted them at town offices, if he had simply followed the town's procedures. Instead, he wanted *copies* of the full text of over a thousand pages of model code provisions. At no time in our history has government at any level perceived a constitutional obligation to supply to every citizen a *personal copy* of the text of every form of law, statutory and judicial, *for free*.

Although some courts and legislatures now make some "law" available for free on the internet, this is a very recent innovation and it is hardly universal. As a practical matter, throughout our history, even the non-copyrighted portions of statutes and judicial decisions have been available only to lawyers, law schools, and libraries willing to pay the commercial publishers such as West

Publishing who actually print and distribute the text of statutes and opinions. For over a century, paying West Publishing was the only convenient way to access most case law and statutes. It was the norm to pay a reasonable fee to avoid time-consuming trips to a court house or a legislative clerk's office. See Deborah Tussey, *Owning the Law: Intellectual Property Rights in Primary Law*, 9 Fordham Intell. Prop. Media & Ent. L.J. 173, 178 (1998) ("Commercial publishers have always been the major purveyors of legal information in this country * * * [and] are the only sources of legal information in many markets."). Indeed, even today, anyone wishing to obtain a personal copy of the U.S. Reports or the United States Code or to subscribe to this Court's slip opinions must pay the Government Printing Office for "the law," even though the content itself is not copyrighted.

Thus, there is hardly a conflict with the "due process" right to know what the law is, if the creators of model codes, like any other copyrighted material, continue to enjoy copyright protection even after a locality incorporates that material by reference into local law. Due process does not require that every citizen be given a free book of every law that might be of interest, even when—unlike this case—the citizen is directly bound by the law.

4. As the dissenters below also noted, copyright law has ample safety valves for dealing with the hypothetical concern that some owner of some model code or standard might refuse to make a copy of the materials accessible on a reasonable basis. One protection that obviates the justification for nullifying the copyright is the doctrine of "fair use." See *Campbell* v. *Acuff-Rose Music, Inc.*, 510 U.S. 569, 575 (1994).

The fair use doctrine is codified at 17 U.S.C. § 107. It provides that "[i]n determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3)

the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work." The fourth factor, market effect, is "undoubtedly the single most important element of fair use." *Harper & Row Publishers, Inc.* v. *Nation Enterprises*, 471 U.S. 539, 566 (1985).

The fair use doctrine permits free copying for personal use of selected portions of a copyrighted work. SBCCI has always acknowledged that people may copy particular code sections for their own use from codes kept in municipal offices or libraries. Such copying is a fair use because the relation of the part copied to the code as a whole is small. In addition, limited copying of excerpts would have little effect on the market for sale of model codes. That market is composed primarily of construction professionals and manufacturers, who need the entire codes. The market is not individual consumers, who have only a secondary interest in these specifications. In this case, however, Veeck copied five of SBCCI's codes in their *entirety* and *published* them online, thus making the full text available for free to the entire world—including in circuits that would respect SBCCI's copyrights. That kind of indiscriminate distribution strikes directly at the heart of the financial protection a copyright owner is to enjoy. By no stretch could this be considered a fair use.

The principal commentator on the law of copyright, Professor Nimmer, has addressed the issue of constitutional accessibility of the law. He has suggested another protection that avoids the draconian approach taken by the majority below. In the highly unlikely scenario of a hypothetical standards-drafting organization that refuses to make the text of the incorporated standards available on reasonable terms to those who may have to comply with them, Nimmer insists that the underlying copyright protection should stand. The appropriate remedy for any person denied access to the law but charged with failing to comply with it is to invoke that denial as a defense:

> "[F]ailure to observe those due process notice requirements could readily constitute a defense for one charged with violation of the non-publicized law. It might well also justify, and perhaps require, the recognition of a fair use defense by one who reproduced such a copyrighted code for his own personal use. It may be doubted, however, whether it should also immunize from copyright liability a competitive commercial publisher, as in *Building Officials* [*BOCA*], at least where the copyright owner of the code, or its licensee, has published and adequately disseminated authorized copies of the code. To vitiate copyright, in such circumstances, could, without adequate justification, prove destructive of the copyright interest, in encouraging creativity in connection with the increasing trend toward state and federal adoptions of model codes." 1 NIMMER ON COPYRIGHT § 5.06[C], at 5–94 (2002).

Whichever way this hypothetical constitutional concern is allayed, the concern has no bearing here. According to Veeck's own testimony, the SBCCI codes were available in municipal offices in every town in which he inquired; and they were readily available directly from SBCCI. See Brief of United States as *Amicus Curiae* in *Practice Management Info. Corp.* v. *American Medical Ass'n*, supra, at 8 (commenting that "[t]here is no suggestion in this case * * * that the AMA's copyright on the CPT has interfered with reasonable access to the requirements of the law," where the AMA sold its code for $40 to $50 per copy).

5. The *en banc* majority fundamentally misunderstood the important but limited doctrine of "merger." Copyright protection is not available under the merger doctrine if an otherwise copyrightable expression is so intertwined with an uncopyrightable idea or fact that granting copyright protection to the expression would restrain the dissemination of the idea or fact. The court below made only conclusory assertions that "the law" is "a fact." But the "law" is no more a fact than, for example, a published book is a fact. Suppose that instead of arguing that

SBCCI's model codes "merged" with the "fact" of the law upon enactment, Veeck argued that Irvine Welsh's final draft of *Trainspotting* merged with the fact of being the novel *Trainspotting* upon publication. True, that is the unique expression of the book *Trainspotting*. No responsible observer, however, would think that the impossibility of conveying *this* novel in any way other than through the exact text of the novel nullified Welsh's copyright. The relevant point is that the novel is a unique expression of something particular. Others are free, however, to address the same subject in their own ways.

But that is precisely the flaw in what the majority did with SBCCI's codes. They are "facts" in the sense that they have real existence—as published materials. But there are countless ways to draft and express, for example, appropriate standards for the load that a floor in a six story commercial building should be able to support or the temperature that insulation material should be able to withstand before catching fire. These seemingly mundane matters are no less entitled to copyright protection than are artistic works, once the drafters of model codes have decided what they want to express and have expressed it. See H.R. Rep. No. 1476, 94th Cong., 2d Sess. 51 (1976) (the court-developed standard for "originality" in copyright relates to the formulation of the expression and "does not include requirements of novelty, ingenuity, or esthetic merit, and there is no intention to enlarge the standard of copyright protection to require them").

As the Second and Ninth Circuits have recognized, the situation is no different simply because localities have required affected persons to consult and use model codes like SBCCI's. Novels and history treatises, for instance, do not lose their copyright protection when a state education department promulgates a syllabus requiring students to read and be tested on those works, even if they have to buy the copyrighted books. Similarly, copyright protection for the venerable—and copyrighted—*Bluebook* is not forfeited simply because various courts require that lawyers who want to file briefs must comply

with the *Bluebook*'s style and format requirements. See, *e.g.*, Fed. Cir. R. App. V, IOP 11(1). A governmental requirement that one use copyrighted material does not strip the referenced work of its copyrighted status.

II. THE IMPORTANCE OF STANDARDS-DRAFTING ORGANIZATIONS TO FEDERAL, STATE, AND LOCAL GOVERNMENTS MAKES IT ESSENTIAL TO PROTECT THE ORGANIZATIONS' FINANCIAL RIGHTS UNDER THE COPYRIGHT LAWS.

A. Standards-Drafting Organizations Provide a Vital Service to All Levels of Government and, Ultimately, to Consumers.

1. For almost a century, not-for-profit standards-setting bodies have enabled governments across the country to adopt up-to-date, technically sound codes. A study conducted by the FTC's Bureau of Economics found that by 1981, 97% of U.S. cities had adopted model building codes, up from 47% in 1964. Staff Report, Bureau of Economics, Federal Trade Commission, *Local Building Codes and the Use of Cost-Saving Methods* 11, 16 (1988) ("FTC Bureau of Economics Report"). SBCCI's codes alone have been adopted in more than 2,500 jurisdictions throughout the United States. The Fifth Circuit's ruling would devastate the operations of drafters not only of model building codes, but those of myriad other standards-setting entities. This concern is evidenced by the filing of *amicus* briefs in the court of appeals by, to name a few, the American Medical Association, the American National Standards Institute (which has accredited 269 standards developers), the National Fire Protection Association, and Underwriters Laboratories.

Model building codes are more likely than locally-drafted codes to approximate the economically-optimal level of regulation. As the FTC Bureau of Economics found, the earlier practice of developing codes locally gave "more weight * * * to local interests;" those locally-created codes were "less frequently

revised to keep up with new technological developments;" they operated to "force builders to use different techniques in different localities;" and as a result this system "led to substantial increases in house prices" when compared with construction governed by model codes. FTC Bureau of Economics Report, *supra*, at 9–11.

By contrast, use of model codes minimizes duplication of effort by local government units and permits standardization that fosters savings industry-wide. These benefits extend from architects and builders, who can buy one code and use it everywhere they work, to manufacturers and hardware stores, which need to make or stock just one type of (for example) plumbing pipe. Eventually, as the FTC found, consumers benefit from the efficiency of these technologically sound and uniform standards, in the form of lower prices.

As discussed above, Congress has expressly directed all federal agencies to incorporate model codes and standards whenever possible in order to avoid unnecessary costs to the taxpayers, to assure technical competence, and to promote uniformity. As also cited above, OMB requires that federal agencies respect the drafters' copyrights when they decide to adopt proposed codes and standards.

Through this process, hundreds of copyrighted sets of standards developed by not-for-profit organizations have become federal requirements. Agencies as diverse as OSHA, the FDA, and the EPA incorporate these requirements by reference. Congress has directed that, once an agency has decided to incorporate standards proposed by a national standards-drafting organization, they have the same legal force as those developed by the agencies themselves. See, *e.g.*, 29 U.S.C. §§ 652(8), 655(a), 666; 29 C.F.R. § 1910.6(a)(1) (OSHA). *Amicus* briefs filed below compiled a list of over 800 different provisions of the C.F.R. that refer to or adopt the standards of just one of these organizations, the American Society for Testing and Materials. The C.F.R.

contains over 200 references to National Fire Protection Association standards.

As recently as July 31, 2002, the Defense Department adopted Unified Facilities Criteria incorporating by reference the International Building Code developed jointly by SBCCI and two other not-for-profit standards-drafting organizations. See Department of Defense, Unified Facilities Criteria: Design: General Building Requirements (July 31, 2002), *available at* http://www.lantdiv.navfac.navy.mil/pls/lantdiv/docs/FOLDER/EICO/UNIFIED_FACILITIES_CRITERIA/UFC+1-200-01.PDF. The Code will govern all DoD construction projects, including the work of the architects and contractors who participate in these projects. The decision to take advantage of the creative effort devoted to the project by SBCCI and its sister organizations and to incorporate the extensive technical requirements by reference will promote efficiency, uniformity and reliability while saving taxpayers millions of dollars.

Another illustration of the prevalence and importance of model codes is the National Electrical Code ("NEC") prepared by the National Fire Protection Association. It has been adopted in all fifty states, Puerto Rico, Guam, and by the federal government. It has been put to wide-ranging uses by federal agencies. See, *e.g.*, 7 C.F.R. § 1755.200 (incorporating NEC by reference into Rural Utilities Service standard for splicing copper and fiber optic cables); 7 C.F.R. Pt. 1924, Subpt. A, Exh. I (requiring that NEC be complied with in construction of seasonal farm labor housing); 16 C.F.R. § 1505.5(e)(5) & n.1 (adopting NEC by reference to define the type of electrical cord required in Consumer Product Safety Commission rule for electrical design and construction of articles intended for use by children); 24 C.F.R. § 3280.607(c)(6)(iv) (incorporating section of NEC as the standard for installing electrical components in a whirlpool bathtub).

There is no practical way the various federal, state, and local agencies could have developed these standards on their own

without spending enormous amounts of time and money. The breadth of membership in standards-drafting organizations shows why governments confidently rely on the work product created by these organizations. At SBCCI, for example, 2,500 of its 16,500 members are city, county, and state governments and agencies. Those government entities are designated "active members" and exercise substantial control over SBCCI's operations. They elect the members of the committees that run SBCCI's code-drafting operations. Most of SBCCI's active members are (or are agencies of) municipalities with populations of less than 10,000. Proposed changes to the codes are opened to notice and comment from the general public and voted on by the active members to assure that they are sound, fair, and practical.

2. The availability of these standards—to the government agencies and to the actual professional users—depends in substantial measure on the revenue that standards-drafting organizations derive from selling the copyrighted codes to commercial users. Federal, state and local governments have respected this cost-allocation system. They expect the commercial users of the copyrighted materials to underwrite a substantial part of the cost of creating the materials—by purchasing them from the organizations that create them.

All the codes at issue in this case—indeed, the vast majority of codes developed by the organizations that will be affected by the Fifth Circuit's rule—are highly technical and of direct relevance only to professionals and manufacturers in the pertinent industries. Unlike laws of general applicability, such as a state criminal code, the ordinary citizen has little need (or desire) to know, for example, about the content of the Agriculture Ammonia Institute–Rubber Manufacturers Association's Specifications for Anhydrous Ammonia Hose, adopted by reference in 29 C.F.R. § 1910.6(d)(1), or the American National Standards Institute's Compressed Gas Cylinder Valve Outlet and Inlet Connections Code, incorporated in 29 C.F.R. § 1910.6(e)(30).

Under the system now thrown into chaos by the Fifth Circuit, copyright protection for model codes and standards has meant that the costs of code drafting and revision have been borne largely by the regulated parties. They are the only ones generally interested in acquiring copies of the complete codes. This system is much more efficient than forcing all taxpayers to finance the service or laying the entire financial burden on the shoulders of the members of these not-for-profit organizations.

B. The Fifth Circuit's Decision Will Substantially Undermine the Financial Capacity of Standards-Setting Organizations to Provide Their Services.

The record contains ample evidence that loss of copyright protection will jeopardize the ability of standards-setting bodies to finance the drafting and updating of these codes. Affidavits from senior executives of SBCCI and its peer entities, the Building Officials & Code Administrators and the International Conference of Building Officials, established that they cannot function without the revenues derived from sales of their copyrighted codes. Such sales represent approximately half of SBCCI's total annual revenue. The National Fire Protection Association relies on sales of its codes for three quarters of its annual revenue. Many other similar organizations participated as *amici curiae* in the court below because they share the same concern about the destructive impact of the legal rule endorsed by the Fifth Circuit.

Recognizing what the majority of the Fifth Circuit cavalierly dismissed, federal agencies have taken pains to protect the financial interest of standards-drafting organizations in maintaining the revenue stream necessary to support their activities. See, *e.g.*, 7 C.F.R. § 1755.500 (stating that National Electrical Code is a trademark of the NFPA, and that copies are available for purchase from the NFPA, or for inspection during normal business hours at the U.S. Department of Agriculture, and at the Office of the Federal Register). The same approach is taken

in 29 C.F.R. § 1910.6, which lists the 181 standards developed by 17 private standards-setting organizations that have been adopted by reference by OSHA. *Id.* at § 1910.6(a)(4) (explaining that copies of each may be purchased by contacting the appropriate private standards organization at the addresses given, or inspected at the Office of the Federal Register or in OSHA offices).

These federally-adopted codes are made available in just the same way as the codes in this case were. They are available for *purchase* from the standards-setting organization or available for *review* in the offices of the adopting body. They are not published in full text in the Federal Register because they are lengthy and technical *and because they are copyrighted and the drafters retain their copyrights even after adoption.*

The Fifth Circuit, however, has rejected this sensible federal approach to reconciling the public's right of access to regulatory requirements and the standards-setting organizations' right to copyright protection. In doing so, the Fifth Circuit stripped the organizations of their copyright revenue. Even if the organizations can survive that loss of revenue, they will either have to cut back drastically on their operations or rely heavily on their membership for financing—a reliance that could threaten their independence or objectivity. Either consequence will undermine governmental protection of public health and safety. Indeed, as one major business magazine has commented about this case, "Veeck is challenging a basic feature of the modern regulatory state." Daniel Fischer, "We Own That Law," *Forbes*, Apr. 30, 2001, at 60.

C. The Issues Have Been Fully Explored And The Conflict Is Ripe For Review.

The Court has before it extensive opinions of the Fifth Circuit *en banc* plus the earlier analyses of three other circuits. The conflict on these important issues has evolved over twenty years and is fully matured.

Moreover, the questions presented have been discussed extensively in treatises and academic literature. See, *e.g.*, 1 NIMMER ON COPYRIGHT § 5.06[C], at 5–91 to 5–94 (2002) (discussing *BOCA* and the present case and suggesting that model codes should retain their copyright protection after adoption into law, lest the increasing trend in favor of use of such codes be stymied); Hardy, *supra*, 38 Hous. L. Rev. at 876–879 (2001) (discussing copyrightability of enacted model codes as a takings issue, with reference to both *BOCA* and this case); L. Ray Patterson & Craig Joyce, *Monopolizing the Law: The Scope of Copyright Protection for Law Reports and Statutory Compilations*, 36 UCLA L. Rev. 719, 748–749 (1989) (endorsing *BOCA*); Alan S. Wernick, *Copyrights and Codes: Model Building Codes as Protectible Works Under the U.S. Copyright Laws*, CCH Guide to Computer Law, Issue No. 236 (June 1, 2001) (arguing that incorporation into law does not nullify copyright in model codes); Robert Kry, Case Note, *The Copyright Law*, 111 Yale L.J. 761 (2001) (critiquing panel decision in this case).

Since the issues in this case have been subjected to extensive examination both by dozens of judges and many academics, the issues are ripe for review by this Court. Review is necessary to establish uniformity on questions of federal law of vital interest to hundreds of not-for-profit organizations involved in developing model codes and standards as well as to the thousands of government agencies that depend on their work.

CONCLUSION

The Court should grant this petition for a writ of certiorari and reverse the judgment below.

Respectfully submitted.

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SEPTEMBER 2002

APPENDIX

APPENDIX A
EN BANC OPINION

United States Court of Appeals,
Fifth Circuit.

Peter VEECK, d/b/a RegionalWeb,
Plaintiff-Counter Defendant-Appellant,

v.

SOUTHERN BUILDING CODE
CONGRESS INTERNATIONAL, INC.,
Defendant-Counter Claimant-Appellee.

No. 99-40632.
June 7, 2002.

Appeals from the United States District Court for the Eastern District of Texas.

Before KING, Chief Judge, JOLLY, HIGGINBOTHAM, DAVIS, JONES, SMITH, WIENER, BARKSDALE, EMILIO M. GARZA, DeMOSS, BENAVIDES, STEWART, PARKER, DENNIS and CLEMENT, Circuit Judges.

EDITH H. JONES, Circuit Judge:

The issue in this *en banc* case is the extent to which a private organization may assert copyright protection for its model codes, after the models have been adopted by a legislative body and become "the law". Specifically, may a code-writing organization prevent a website operator from posting the text of a model code where the code is identified simply as the building code of a city that enacted the model code as law? Our short answer is that as *law*, the model codes enter the public domain and are not subject to the copyright holder's exclusive prerogatives. As model codes, however, the organization's works retain their protected status.

BACKGROUND[1]

Peter Veeck individually operates "RegionalWeb" (<http://regionalweb.texoma.net>), a non-commercial website that provides information about north Texas. Sometime in 1997, Veeck decided to post on RegionalWeb the local building codes of Anna and Savoy, two small towns in north Texas that had adopted the 1994 edition of the Standard Building Code written by appellee, Southern Building Code Congress International, Inc. ("SBCCI"). Veeck made a few attempts to inspect several towns' copies of the Building Code, but he was not able to locate them easily. Eventually, Veeck purchased the 1994 model building codes directly from SBCCI; he paid $72.00 and received a copy of the codes on disk. Although the software licensing agreement and copyright notice indicated that the codes could not be copied and distributed, Veeck cut and pasted their text onto his RegionalWeb. Veeck's website did not specify that the codes were written by SBCCI. Instead, he identified them, correctly, as the building codes of Anna and Savoy, Texas.

The author of the codes, SBCCI, is a non-profit organization consisting of approximately 14,500 members from government bodies, the construction industry, business and trade associations, students, and colleges and universities. Since 1940, SBCCI's primary mission has been to develop, promote, and promulgate model building codes, such as the Standard Plumbing Code, the Standard Gas Code, the Standard Fire Prevention Code, and the Standard Mechanical Code. SBCCI encourages local government entities to enact its codes into law by reference, without cost to the governmental entity. No licensing agreements are executed in connection with legislative adoption, nor does SBCCI keep track of the entities that have

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[1] The facts stated here are undisputed.

adopted its codes. Although SBCCI is a non-profit organization, its annual budget, exceeding $9 million, derives in part from sales of its model codes and is used to fund continuing activities. There are no restrictions or requirements on membership in SBCCI, but non-members are charged considerably more for copies of its codes than are members.

While SBCCI continues to assert its copyright prerogatives — exclusively to publish the codes and license their reproduction and distribution — even as to codes that have been adopted by local entities, the organization insists that it grants liberal permission for copying. To support this contention, SBCCI offered in evidence several dozen letters of permission written to entities as diverse as book publishers, seminar providers, and municipal inspection agencies. Notably, each permit letter carefully circumscribed the amount of copying allowed.

SBCCI's generosity did not extend to Veeck's public-service posting of the Anna and Savoy building codes on his website. The organization demanded that he cease and desist from infringing its copyrights. Veeck filed a declaratory judgment action seeking a ruling that he did not violate the Copyright Act. SBCCI counterclaimed for copyright infringement, unfair competition and breach of contract. Both parties moved for summary judgment on the copyright infringement issue.

Finding no genuinely disputed material facts, the district court granted summary judgment in favor of SBCCI, including a permanent injunction and monetary damages. On appeal, a divided panel of this court upheld SBCCI's copyrights in the municipal building codes posted by Veeck, and it rejected his defenses to infringement based on due process, merger, fair use, copyright misuse and waiver.

We elected to rehear this case *en banc* because of the novelty and importance of the issues it presents.

DISCUSSION[2]

As the organizational author of original works, SBCCI indisputably holds a copyright in its model building codes. See 17 U.S.C. § 102(a). Copyright law permits an author exclusively to make or condone derivative works and to regulate the copying and distribution of both the original and derivative works. 17 U.S.C. § 106. The question before us is whether Peter Veeck infringed SBCCI's copyright on its model codes when he posted them only as what they became — building codes of Anna and Savoy, Texas — on his regional website. Put otherwise, does SBCCI retain the right wholly to exclude others from copying the model codes after and only to the extent to which they are adopted as "the law" of various jurisdictions?

The answer to this narrow issue seems compelled by three sources: the Supreme Court's holding that "the law" is not copyrightable; alternatively, the Copyright Act's exclusion from its scope of "ideas" or "facts"; and the balance of caselaw.

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[2] We review the district court's grant of summary judgment *de novo*. *Morris* v. *Covan World Wide Moving, Inc.*, 144 F.3d 377, 380 (5th Cir. 1998); Fed. R. Civ. P. 56(c). At the summary judgment stage, a court may not weigh the evidence or evaluate the credibility of witnesses, and all justifiable inferences will be made in the nonmoving party's favor. *Id.* (citing *Anderson* v. *Liberty Lobby, Inc.*, 477 U.S. 242, 255, 106 S.Ct. 2505, 2513-14, 91 L.Ed.2d 202 (1986)). The district court drew some inferences from the facts, however, regarding the impact of copyrightability on SBCCI's operations that, if material, should not have been decided without a trial. We find it unnecessary to reach those issues.

I. The Supreme Court's View

Excluding "the law" from the purview of the copyright statutes dates back to this nation's earliest period. In 1834, the Supreme Court interpreted the first federal copyright laws and unanimously held that "no reporter has or can have any copyright in the written opinions delivered by this Court ..." *Wheaton* v. *Peters*, 33 U.S. (8 Pet.) 591, 668, 8 L.Ed. 1055 (1834). The case arose when one of the Court's official reporters was asserting copyright protection for his annotated compilations of Supreme Court opinions. The Court distinguished between the reporter's individual work and the Justices' opinions. The Court's rejection of copyright for judicial opinions paralleled the principle — recognized by attorneys for both parties — that "[s]tatutes were never copyrighted."[3] Based on the acknowledged and incontestable

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[3] See Precis of Argument by Counsel for Wheaton [pet'r], 33 U.S. (8 Pet.) at 615. Wheaton acknowledged, even while arguing that judicial opinions could be copyrighted, that "it would be absurd, for a legislature to claim the copyright; and no one else can do it, for they are the authors, and cause them to be published without copyright.... Statutes were never copyrighted." Id. Further, "it is the bounden duty of government to promulgate its statutes in print ..." *Id.* at 616.

Counsel for Peters, the respondent, emphasized the governing policy that "all countries ... subject to the sovereignty of the laws" hold the promulgation of the laws, from whatever source, "as essential as their existence." *Id.* at 618-19. Peters's brief continues:

> It is, therefore, the true policy, influenced by the essential spirit of the government, that laws of every description should be universally diffused. To fetter or restrain their dissemination, must be to counteract this policy; to limit, or even to regulate it, would, in fact, produce the same effect.
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> ...
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> If either statutes or decisions could be made private property, it would be in the power of an individual to shut out the light by

analogy with legislative acts, *Wheaton* held unanimously that "the law" in the form of judicial opinions may not be copyrighted.

The same broad understanding of what constitutes "the law" for copyright purposes underlies the Court's later decision in *Banks* v. *Manchester*, 128 U.S. 244, 9 S. Ct. 36, 32 L.Ed. 425 (1888). The Court there denied a copyright to a court reporter in his printing of the opinions of the Ohio Supreme Court. The Court first noted that whatever work the judges perform in their official capacity cannot be regarded as authorship under the copyright law. As a question of "public policy," the Court stated that,

> there has always been a judicial consensus, from the time of the decision in the case of *Wheaton* v. *Peters*, 8 Pet. 591, 8 L.Ed. 1055, that no copyright could, under the statutes passed by Congress, be secured in the products of the labor done by judicial officers in the discharge of their judicial duties. *The whole work done by the judges constitutes the authentic exposition and interpretation of the law, which, binding every citizen, is free for publication to all, whether it is a declaration of unwritten law, or an interpretation of a constitution or statute.*

Banks, 128 U.S. at 253, 9 S.Ct. at 40. (emphasis added). At this point, *Banks* relied upon a decision of the Massachusetts Supreme Judicial Court, which stated,

> [I]t needs no argument to show that justice requires that all should have free access to the opinions, and that it is against sound public policy to prevent this, or to suppress

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which we guide our actions.

Id. at 620.

> and keep from the earliest knowledge of the public the statutes, or the decisions and opinions of the Justices.

Nash v. Lathrop, 142 Mass. 29, 6 N.E. 559 (1886). The court in Nash further observed that a legislature likewise could not deny public access to statutes.

Banks represents a continuous understanding that "the law," whether articulated in judicial opinions or legislative acts or ordinances, is in the public domain and thus not amenable to copyright.[4] Modern decisions have followed suit.[5] Significantly, the 1976 Copyright Act specifically denies protection to federal statutes and regulations. 17 U.S.C. § 105. Given the state law foundation of *Banks* and its progeny, there is no reason to believe that state or local laws are copyrightable. See generally L. Ray Patterson & Craig Joyce, *Monopolizing the Law: The Scope of Copyright Protection for Law Reports and Statutory Compilations*, 36 U.C.L.A. L. REV. 719, 751-58 (1989); 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 5.06[c] at 5-92 (2000) ("state statutes, no less than federal statutes, are regarded as being in the public domain"); 1 PATRY, COPYRIGHT LAW AND PRACTICE 351, 357 (1994).

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[4] In *Davidson* v. *Wheelock*, for example, the court stated that a compiler of state statutes "could obtain no copyright for the publication of the laws only; neither could the legislature confer any such exclusive privilege upon him." *Davidson* v. *Wheelock*, 27 F. 61, 62 (D. Minn. 1886). More famously, Justice Harlan, riding circuit, denied an injunction sought for the compiler of Michigan statutes, holding that "no one can obtain the exclusive right to publish the laws of the state in a book prepared by him." *Howell* v. *Miller*, 91 F. 129, 137 (6th Cir. 1898).

[5] *Harrison Co.* v. *Code Revision Commission*, 244 Ga. 325, 260 S.E.2d 30, 34 (1979); *State of Ga.* v. *The Harrison Co.*, 548 F. Supp. 110, 114-15 (N.D. Ga.1982), *vacated per stipulation*, 559 F. Supp. 37 (N.D. Ga.1983).

As governing law, pursuant to *Banks,* the building codes of Anna and Savoy, Texas cannot be copyrighted.

SBCCI and its numerous amici[6] must limit or circumvent the *Banks* line of cases in order to prevail. Initially, SBCCI divides *Banks* into two holdings and concludes that either holding must be squared with the policies and purposes of copyright law. This not insubstantial mode of analysis must be carefully reviewed.

The first holding of *Banks* is said to deny copyright to judicial opinions because judges, whose salaries are paid by the government, cannot claim to be "authors" of their official works. SBCCI contends that this discussion shows only that judges have no need of the Copyright Act's economic incentives in order to author judicial opinions. *Banks*, it is implied, articulates a utilitarian rationale for denying copyright protection to judicial opinions. SBCCI contrasts government employees with the private "authors" of model codes who allegedly depend on copyright incentives in order to perform their public service. SBCCI concludes that this "prong" of *Banks* does not apply to private code-writing organizations whose work has been adopted or incorporated into statutes, ordinances, or government regulations. Two courts, in addition to the panel that originally heard this case, have identified the consideration of authorship incentives as a "holding" of *Banks*.

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[6] The amici supporting SBCCI's position include Building Officials and Code Administrators International (BOCA), International Code Council, International Conference of Building Officials, American Medical Association, American National Standards Institute (ANSI), American Society of Association Executives (ASAE), American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE), American Society of Mechanical Engineers (ASME), National Fire Protection Association (NFPA), Texas Municipal League, and Underwriters Laboratories, Inc. (UL).

See *Practice Management Info. Corp.* v. *American Medical Ass'n*, 121 F.3d 516, 518 (9th Cir.1997), opinion amended by 133 F.3d 1140 (9th Cir.1998);[7] *County of Suffolk* v. *First American Real Estate Solutions*, 261 F.3d 179, 194 (2d Cir.2001).

The second "holding" of *Banks*, which requires "the law" or its exposition to be "free for publication to all," is recharacterized by SBCCI as a "due process" argument. That argument devolves into a factual question concerning public "access" to the law. Because SBCCI contends that there is no dispute about the adequacy of public "access" to its model codes, after their enactment as the building codes of Anna and Savoy, *Banks* is inapplicable.

The "dual holding" analysis seems to foist on *Banks* a rationale that the Supreme Court never explicitly articulated. *Banks*, however, does not bifurcate its holding based on the particular authors' need of the Copyright Act's incentives or a factual calculus concerning the "adequacy" of public access to the law. Instead, *Banks* declares at the outset of its discussion that copyright law in the United States is purely a matter of statutory construction. See *Banks*, 128 U.S. at 251, 9 S.Ct. at 39. In the next paragraph, the Court points out that the court reporter was not the statutory "author" of the judicial decisions. Then, the Court states that

> In no proper sense can the judge who, in his judicial capacity, prepares the opinion or decision, the statement of the case, and the syllabus, or head-note, be regarded as

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[7] *Practice Management* declares, "The copyright system's goal of promoting the arts and sciences by granting temporary monopolies to copyrightholders was not at stake in *Banks* because judges' salaries provided adequate incentive to write opinions." *Id.*

> their author or their proprietor, in the sense of [the copyright statute] ...
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> Judges, as is well understood, receive from the public treasury a stated annual salary, fixed by law, and can themselves have no pecuniary interest or proprietorship, as against the public at large, in the fruits of their judicial labors.

128 U.S. at 253, 9 S.Ct. at 40. The Court then broadly defines the judges' official work and states that as a matter of public policy and judicial consensus, "no copyright could, under the statutes passed by Congress, be secured in the products of the labor done by judicial officers in the discharge of their official duties." This paragraph of *Banks* climaxes with the explanation:

> The whole work done by the judges constitutes the authentic exposition and interpretation of the law, which, binding every citizen, is free for publication to all, whether it is a declaration of unwritten law, or an interpretation of a constitution or statute. *Id.* at 253-54, 9 S.Ct. 36 [citing *Nash v. Lathrop*].

There is simply no independent holding in *Banks* that judges are not "authors" under the copyright law because, as public officials, they do not need the "incentives" that copyright law affords in order to write opinions. Instead, *Banks* refers to the source of the judges' salary in order to explain that it is the public at large, not the judges, who have the "pecuniary interest or proprietorship" in "the fruits of their judicial labors." The whole of those judicial labors, as *Banks* immediately defines

them, "constitutes the authentic exposition and interpretation of the law," which is "free for publication to all ..." *Id.*[8]

Moreover, when viewed in light of *Wheaton*, the last case relied on by *Banks's* analysis, the argument for bifurcation is seriously weakened. *Wheaton*'s holding, as has been shown, derives from an analogy between judicial opinions and legislative acts as together constituting "the law," which is not subject to copyright.

The origin of the bifurcated holding interpretation of *Banks* seems to lie in the First Circuit's thoughtful opinion in *Building Officials and Code Adm. v. Code Technology, Inc.*, 628 F.2d 730 (1st Cir.1980), but the First Circuit does not endorse bifurcation. In this opinion, which will be discussed further infra, the First Circuit considered the argument of *BOCA*, the model code writer, urging copyright protection for a model building code similar in origin and purpose to the one before us. *BOCA's* argument, the court said, "implies that the rule of Wheaton v. Peters was based on the public's property interest in work produced by legislators and judges, who are, of course, government employees." *BOCA*, 628 F.2d at 734.

While acknowledging that this interpretation is "not without foundation," the First Circuit cautioned: "But *BOCA's* argument overlooks another aspect of the ownership theory discussed in these cases." *Id. BOCA* then identifies the real premises of *Banks* and related cases: the "metaphorical concept of citizen authorship" of the law, together with "the very

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[8] If there were an independent holding in *Banks* relying on the fact that judges are paid by the public, it was rejected by the Court itself one month later, when the Court ruled that a court reporter, notwithstanding that he was a state employee, could assert copyright in all of his compilation of judicial opinions except the opinions themselves. Callaghan v. Myers, 128 U.S. 617, 9 S. Ct. 177, 32 L.Ed. 547 (1888).

important and practical policy that citizens must have free access to the laws which govern them." *Id.* *BOCA* cited the authorship rationale for *Banks* only to find it unsatisfactory. In our view, *BOCA* was correct.

Only by bifurcating *Banks* can SBCCI achieve its purpose of claiming authorship of "the law" and proprietary rights in its codes that have been enacted into law. However, the acceptance of SBCCI's and the dissent's theory, that non-governmental employees who draft model statutes or regulations may be entitled to copyright protection, raises troubling issues. The complexities of modern life and the breadth of problems addressed by government entities necessitate continuous participation by private experts and interest groups in all aspects of statutory and regulatory lawmaking. According to SBCCI, a utilitarian test should be invoked to determine which organizations "need" the incentives provided by the Copyright Act in order to perform the public service of drafting specialized statutes, ordinances or regulations. Alternatively, perhaps SBCCI and the dissent intend that whenever any private "author" finds his or her proposal adopted verbatim in law, copyright protection may be claimed.[9] As an example, three law professors have taken credit for drafting a recent federal statute on supplemental federal court jurisdiction. See 28 U.S.C. § 1367; Christopher M. Fairman, Abdication to Academia: The Case of the Supplemental Jurisdiction Statute, 28 U.S.C. § 1367, 19 SETON HALL LEGIS. J. 157 (1994). Under SBCCI's reasoning, it is

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[9] One of SBCCI's amici argues that this is an unrealistic threat, since, inter alia, the run-of-the-mill lobbyist or good citizen involved in the legislative process does not assert a copyright. That these "authors" may be more generous, or less sophisticated, than the large and well-funded code-writing organizations before us hardly furnishes a reason to approve an open-ended test of authorship of the law.

likely that these professors, had they so desired, could have asserted a copyright in their "model supplemental jurisdictional provision."[10] SBCCI offers no outer limit on claims of copyright prerogatives by nongovernmental persons who contribute to writing "the law."

Not only is the question of authorship of "the law" exceedingly complicated by SBCCI's and the dissent's position, but in the end, the "authorship" question ignores the democratic process. Lawmaking bodies in this country enact rules and regulations only with the consent of the governed. The very process of lawmaking demands and incorporates contributions by "the people," in an infinite variety of individual and organizational capacities. Even when a governmental body consciously decides to enact proposed model building codes, it does so based on various legislative considerations, the sum of which produce its version of "the law." In performing their function, the lawmakers represent the public will, and the public are the final "authors" of the law.

The *BOCA* decision put it thus:

> The citizens are the authors of the law, and therefore its owners, regardless of who actually drafts the provisions, because the law derives its authority from the consent of the public, expressed through the democratic process.

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[10] We are not stating or holding that the authorship of government works never presents a legitimate issue of copyright. On the contrary, the Copyright Act carefully defines the extent to which federal government employees and contractors can obtain copyright protection. But these provisions have never been held to supersede *Banks 's* holding that "the law" is in the public domain.

628 F.2d at 734.[11] This "metaphorical concept of citizen authorship" together with the need for citizens to have free access to the laws are the ultimate holding of *Banks*. *Id.*

BOCA described free access as a policy "based on the concept of due process," the people's right to know what the law requires so that they may obey it and avoid its sanctions. SBCCI and the dissent contend that this "due process" reasoning involves nothing more than the factual issue of "sufficient" public access to the building codes of Anna and Savoy. Since a copy of the codes is available for inspection and individual copying in a public office, SBCCI contends that the obligations of due process are fulfilled.

We disagree that the question of public access can be limited to the minimum availability that SBCCI would permit. *Banks* does not use the term "due process." There is also no suggestion that the *Banks* concept of free access to the law is a factual determination or is limited to due process, as the term is understood today. Instead, public ownership of the law means precisely that "the law" is in the "public domain" for whatever use the citizens choose to make of it. Citizens may reproduce copies of the law for many purposes, not only to guide their actions but to influence future legislation, educate their neighborhood association, or simply to amuse. If a citizen wanted to place an advertisement in a newspaper quoting the Anna, Texas building code in order to indicate his dissatisfaction with its complexities, it would seem that he could do so. In our view, to say, as *Banks* does, that the law is

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[11] Technically, citizen "ownership" of the law might suggest that local governmental entities, as public representatives, could prevent copying of the law. As Goldstein notes, the decisions holding that statutes are in the public domain prevent any such misunderstanding. 1 GOLDSTEIN, COPYRIGHT, § 2.48 at n.42.

"free for publication to all" is to expand, not factually limit, the extent of its availability.

Moreover, as the *BOCA* decision observed, it is difficult to reconcile the public's right to know the law with the statutory right of a copyright holder to exclude his work from any publication or dissemination. SBCCI responds that due process must be balanced against its proprietary rights and that the fair use doctrine as well as its honorable intentions will prevent abuse. Free availability of the law, by this logic, has degenerated into availability as long as SBCCI chooses not to file suit.[12]

For these reasons, we reject SBCCI's deconstruction of *Banks* into merely utilitarian and factual issues. Instead, we read *Banks*, *Wheaton*, and related cases consistently to enunciate the principle that "the law," whether it has its source in judicial opinions or statutes, ordinances or regulations, is not subject to federal copyright law.[13]

To sum up this section, we hold that when Veeck copied only "the law" of Anna and Savoy, Texas, which he obtained from SBCCI's publication, and when he reprinted only "the law" of those municipalities, he did not infringe SBCCI's copyrights in its model building codes. The basic proposition

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[12] SBCCI does not permit governmental entities to publish its model codes when they are enacted. Instead, it permits their adoption by reference and furnishes a copy of the adopted code to the entity. SBCCI also generously allows that if a governmental entity were to publish the building code on an Internet site to meet its due process obligation, that would be a fair use. But when the North Carolina Building Officials were permitted to publish a model code on their non-public access website, SBCCI expressly reserved its rights.

[13] What constitutes "the law" when a governmental entity adopts or incorporates by reference an author's copyrightable work will be considered infra, Part III.

was stated by Justice Harlan, writing for the Sixth Circuit: "any person desiring to publish the statutes of a state may use any copy of such statutes to be found in any printed book ..." *Howell* v. *Miller*, 91 F. 129, 137 (6th Cir.1898).[14] See Jerry E. Smith, Government Documents: Their Copyright and Ownership, 22 Copyright Symposium 147, 174 (ASCAP 1977), reprinted in 5 TEX. TECH L. REV. 71, 92 (1973).

II. The Copyright Act

A. The Merger Doctrine

As we earlier stated, SBCCI is the "author" of model building codes that, qua model building codes, are facially copyright-protected. This is true even if *Banks* places the building codes of Anna and Savoy, and other governmental entities that adopted part or all of SBCCI's model codes, in the public domain. But if the holding of *Banks* fails, Veeck alternatively asserts a defense under the Copyright Act to the protection of the model codes after they have been enacted into positive law. Once adopted, he asserts, the model codes become "facts" that are not protected under the Copyright Act. Further, because there is only one way to express the meaning of the building codes, the "idea" embodied in the law merges with SBCCI's expression, and at that point, renders copyright protection unavailable.

It is not the sole purpose of copyright law to secure a fair return for an author's creative labor. Under the Constitution,

> The primary objective of copyright is not to reward the labor of authors but "[to] promote the Progress of Science

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[14] Our decision might well be the opposite, if Veeck had copied the model codes as model codes, or if he had indiscriminately mingled those portions of "the law" of Anna and Savoy adopted by their town councils with other parts of the model codes not so adopted.

> and the useful Arts." Article I, Sec. 8, clause 8 [U.S. Constitution]. To this end, copyright law assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work. This principle, known as the idea/expression or fact/expression dichotomy, applies to all works of authorships.

Feist Publications, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 349, 111 S.Ct. 1282, 1289-90, 113 L.Ed.2d 358 (1991). The statute excludes from copyright protection ideas, procedures, processes, systems, methods of operation, or information in the public domain. See 17 U.S.C. § 102(b); *Feist Publications*, 499 U.S. at 350, 111 S.Ct. at 1290 (citation omitted); *Harper & Row Publishers, Inc.* v. *Nation Enters.*, 471 U.S. 539, 547-48, 105 S. Ct. 2218, 2223, 85 L.Ed.2d 588 (1985). If an idea is susceptible to only one form of expression, the merger doctrine applies and § 102(b) excludes the expression from the Copyright Act. As the Supreme Court has explained it, this "idea/expression dichotomy strike[s] a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author's expression." *Harper & Row*, 471 U.S. at 556, 105 S. Ct. at 2228.

Veeck copied the building code of the towns of Anna and Savoy, Texas, based on their adoption of a version of the SBCCI model code. The codes are "facts" under copyright law. They are the unique, unalterable expression of the "idea" that constitutes local law. Courts routinely emphasize the significance of the precise wording of laws presented for interpretation. *See, e.g.*, *Consumer Product Safety Comm'n* v. *GTE Sylvania, Inc.*, 447 U.S. 102, 108, 100 S.Ct. 2051, 2056, 64 L.Ed.2d 766 (1980) ("[T]he starting point for interpreting a

statute is the language of the statute itself."). Judge Little, dissenting from the panel opinion in this case, observed that

> ... the merger doctrine is especially appropriate because other methods of expressing the idea are foreclosed. [citation omitted] An individual wishing to publish the text of a law cannot develop his own, unique version and still publish an authoritative copy.

Veeck v. *Southern Bldg. Code Cong. Int'l*, 241 F.3d 398, 416 (5th Cir. 2001) (Little, J., dissenting). It should be obvious that for copyright purposes, laws are "facts": the U.S. Constitution is a fact; the Federal Tax Code and its regulations are facts; the Texas Uniform Commercial Code is a fact. Surely, in principle, the building codes of rural Texas hamlets are no less "facts" than the products of more august legislative or regulatory bodies. While the Supreme Court has not stated directly that laws are "facts," it has broadly observed that, as with census data, "the same is true of all facts — scientific, historical, biographical and news of the day. 'They may not be copyrighted and are part of the public domain available to every person.'" *Feist*, 499 U.S. at 348, 111 S.Ct. at 1289.

Emphasizing not the language of § 102(b), but the "policy" of the merger doctrine, SBCCI contends that merger poses no bar to copyright protection here. The idea/expression dichotomy was enacted into law by Congress to "balance [ ] the competing concerns of providing incentive to authors to create and foster[ ] competition in such creativity." *Kern River Gas Transmission Co.* v. *The Coastal Corp.*, 899 F.2d 1458, 1463 (5th Cir.1990).[15] Veeck's merger argument ignores the goal of fostering competition in creativity. SBCCI thus asserts that "merger would only apply in this case if a subsequent author

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[15] *See id.* at 1460 (proposed route for a pipeline approved by the Federal Energy Regulatory Commission was an uncopyrightable "idea").

seeking to create a building code for Anna or Savoy would have to use the same expression to convey the idea." SBCCI supplemental en banc brief at 7. This argument effectively converts the merger doctrine from a limit on copyrightability into a mere defense against infringement based on the identity of the author. In our view § 102(b) does foster the creativity that SBCCI applauds, but it does so by permitting the free flow of information in facts and ideas from their emergence, rather than as a defense to infringement claims. See *Kern River* at 1460; *Mason* v. *Montgomery Data, Inc.*, 967 F.2d 135, 138 n.5 (5th Cir.1992) ("*Mason* argues that application of the merger doctrine does not render a work uncopyrightable, but rather prevents a finding of infringement of an otherwise copyrightable work. But this court has applied the merger doctrine to the question of copyrightability.").

SBCCI and the dissent next urge the inapplicability of the merger doctrine because there are many possible ways to express model codes: both the multiplicity of building standards and the variety of ways to express those standards compel the conclusion that the ideas have not merged with their expression. *Cf. Mason*, 967 F.2d at 139 (rejecting merger because the idea embodied in the author's maps can be expressed in a variety of ways). What SBCCI and the dissent ignore, however, is the graphic merger of its model building codes with "the law" as enacted by Anna and Savoy, Texas. Veeck copied from SBCCI's model codes, 1994 edition, because those codes were transformed into the "fact" and "idea" of the towns' building codes. Veeck could not express the enacted law in any other way.

The final argument deployed by SBCCI and the dissent casts the merger doctrine as an inherent balancing test in which courts must reconcile the policies underlying the Copyright Act with the public interest in the free flow of information and

ideas. Compare *CCC Info Serv., Inc.* v. *Maclean Hunter Market Reports, Inc.*, 44 F.3d 61, 68 (2nd Cir.1994) (interpreting Second Circuit's balancing test). It is true that where the line is unclear between expression and facts, procedures, processes, methods of operation, or information in the public domain, a court considering the applicability of § 102(b) must recur to the statute's underlying policy. *See, e.g.*, *Feist*, 499 U.S. at 361-64, 111 S.Ct. at 1295-97 (determining copyrightability of compilations of facts); *Mason*, 967 F.2d at 139 (copyrightability of expression in maps). This case, however, is not close. The building codes of Anna and Savoy, Texas can be expressed in only one way; they are facts. Veeck placed those facts on his website in precisely the form in which they were adopted by the municipalities.[16] When the § 102(b) dichotomy is clear, judges are not permitted to substitute policy choices for the legislature's determination.

We emphasize that in continuing to write and publish model building codes, SBCCI is creating copyrightable works of authorship. When those codes are enacted into law, however, they become to that extent "the law" of the governmental entities and may be reproduced or distributed as "the law" of those jurisdictions.

B. Other Provisions[17]

SBCCI's amici make much of provisions of the Copyright Act that, they contend, should protect SBCCI's copyrights from

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[16] For the first time, in this court, SBCCI alleges that Veeck did not exactly copy the ordinances, because in the course of their adoption, the towns rejected certain parts of the SBCCI model codes. There is no evidence in the district court record to sustain this contention.

[17] Veeck also raised infringement defenses based on his fair use of the model codes or SBCCI's waiver of its copyrights. It is unnecessary to reach these issues.

"appropriation" by local government entities. Section 105 of the Act, taken together with the definition of "works of the government," denies copyright protection to official works of the United States Government, while reserving the possibility that government employees and contractors may obtain, or transfer to the government, copyrights for non-official works. 17 U.S.C. §§ 105, 101. On its face, these provisions say nothing about the relationship between non- federal government entities and copyright holders. Moreover, they have never been held inconsistent with *Banks* or with the merger doctrine.

Section 201(e) of the Act reflects Congress's intention to protect copyrights from involuntary appropriation by government entities. 17 U.S.C. § 201(e). This is not, however, a "takings" case, not least because SBCCI urged localities to adopt its model codes. The issue in the case is not the voluntariness of the appropriation but the legal consequences flowing from the permission that SBCCI gave.

III. The Caselaw; Model Codes Versus Standards

Until recently in our history, it was understood that *Wheaton*, *Banks* and nearly every other pertinent case held that copyright protection may not be asserted for the text of "the law".[18] The basic proposition was stated by Justice Harlan, writing for the Sixth Circuit: "any person desiring to publish the statutes of a state may use any copy of such statutes to be found in any printed book ..." *Howell* v. *Miller*, 91 F. 129, 137 (6th Cir.1898).

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[18] *See also Texas* v. *West Publishing Co.*, 882 F.2d 171, 174, 177 (5th Cir.1989), in which the State of Texas sought a declaratory judgment that West's copyright in their original arrangement of annotated Texas statutes was invalid. This court rejected the state's argument and observed in passing that West did not claim a copyright in the text of the statutes themselves or in any of the readily-available public compilations of statutes.

As of 1980, the noncopyrightability of "the law" appeared settled to the First Circuit in *BOCA*. The court focused on the real holding of *Banks* and accordingly vacated preliminary injunctive relief to the author of a building code adopted into law by the Commonwealth of Massachusetts.[19] The court held that *BOCA* had failed to carry its burden of distinguishing, for preliminary relief purposes, the Massachusetts building code from non-copyrightable statutes and judicial opinions. But the court then remanded the case for further development in light of the novelty of the issue, the insufficiency of the trial court record, and the apparent trend toward adoption of model codes by governmental entities. The court nevertheless was skeptical that *BOCA* would prevail, commenting

> it is hard to see how the public's essential due process right of free access to the law (including a necessary right freely to copy and circulate all or part of a given law for various purposes), can be reconciled with the exclusivity afforded a private copyright holder ...

BOCA, 628 F.2d at 730. Though not a definitive holding, *BOCA* clearly favors Veeck's position over that of SBCCI, and it is most closely on point.

The record has been developed in this case and, with the perspective gained from other recent caselaw and from the multiple submissions to the court, we have no hesitation in confirming *BOCA 's* predisposition against the copyrightability of model codes to the extent they have been adopted as law. But the limits of this holding must be explained. Several national standards-writing organizations joined SBCCI as amici out of fear that their copyrights may be vitiated simply by the common practice of governmental entities' incorporating their standards

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[19] *BOCA* is an amicus curiae in this case supporting SBCCI's position.

in laws and regulations.[20] This case does not involve references to extrinsic standards. Instead, it concerns the wholesale adoption of a model code promoted by its author, SBCCI, precisely for use as legislation. Caselaw that derives from official incorporation of extrinsic standards is distinguishable in reasoning and result. See *CCC Info. Services* v. *Maclean Hunter Market Reports, Inc.*, 44 F.3d 61 (2nd Cir.1994); and *Practice Management Info. Corp.* v. *American Medical Ass'n*, 121 F.3d 516 (9th Cir.1997), opinion amended by 133 F.3d 1140 (9th Cir.1998).

In *CCC Information Services*, a New York statute required insurance companies to use the "Red Book," a privately prepared and copyrighted list of projected automobile values, as one of several standards in calculating the payments upon the total loss of a vehicle. CCC Information Services systematically loaded portions of the Red Book onto its computer network and distributed the information to its customers. One of CCC's theories was that the Red Book had entered the public domain. The Second Circuit addressed the public domain issue briefly, stating that "we are not prepared to hold that a state's reference to a copyrighted work as a legal standard for valuation results in loss of the copyright." *CCC Info. Services*, 44 F.3d at 74. CCC notes the infringer's reliance on the *BOCA* decision, but it does not opine on that case, confining itself to the precise facts before the court.

Practice Management involved the American Medical Association's copyrighted coding system for reporting physicians' services and medical procedures. The Federal

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[20] See 63 Fed. Reg. 8545, 8554-55 (Feb. 19, 1998) (Office of Management and Budget Notice of Final Revision of Circular A-119) (directing federal agencies to adopt privately developed standards "whenever practicable and appropriate" to "eliminate[ ] the cost to the Government of developing its own standards").

Health Care Financing Administration (HCFA) contacted and then agreed with AMA to use the AMA's coding system for identifying physicians' services on Medicare and Medicaid reimbursement forms. AMA granted a "non-exclusive, royalty-free and irrevocable" license to HCFA, without restrictions on the government's ability to reproduce or distribute AMA's codes. There was no evidence that AMA had restricted the code's availability to anyone. The Ninth Circuit held that the HCFA's decision to adopt regulations requiring physicians to use a version of the AMA code on Medicaid claim forms did not place the code in the public domain under *Banks*. *Practice Management*, 121 F.3d at 519 ("[T]he AMA's right under the Copyright Act to limit or forgo publication of the [coding system] poses no realistic threat to public access.").

Both the Second and Ninth Circuits feared that reaching the opposite conclusion in those cases would have "expose[d] copyrights on a wide range of privately authored model codes, standards, and reference works to invalidation." *Practice Management*, 121 F.3d at 519. The Ninth Circuit suggested that federal court rules regarding citations could invalidate the copyrightability of the Blue Book. *Id.* at 519 n.5. The Second Circuit feared that a ruling in favor of *CCC Information Systems* would call into question the copyrightability of school books once they were assigned as part of a mandatory school curriculum. *CCC Info Services*, 44 F.3d at 74.

These decisions, and the hypothetical situations they discuss, are all distinguishable from Veeck. If a statute refers to the Red Book or to specific school books, the law requires citizens to consult or use a copyrighted work in the process of fulfilling their obligations. The copyrighted works do not "become law" merely because a statute refers to them. See 1 GOLDSTEIN COPYRIGHT, § 2.49 at n.45.2 (noting that *CCC* and *Practice Management* "involved compilations of data that had

received governmental approval, not content that had been enacted into positive law"). Equally important, the referenced works or standards in *CCC* and *Practice Management* were created by private groups for reasons other than incorporation into law. To the extent incentives are relevant to the existence of copyright protection, the authors in these cases deserve incentives. And neither CCC nor AMA solicited incorporation of their standards by legislators or regulators. In the case of a model code, on the other hand, the text of the model serves no other purpose than to become law. SBCCI operates with the sole motive and purpose of creating codes that will become obligatory in law.

At first glance, *Practice Management* appears to pose a closer issue because the HCFA did not simply refer physicians to the AMA's coding system. The court's opinion directs the reader to HHS's notice in the Federal Register announcing that HCFA would require physicians to

> use exclusively a common procedure coding system. The system is the HCFA common procedure coding system (HCPCS). This coding system is to be used for coding procedures that have been performed ... and is basically used for determining reimbursement amounts. HCFA developed the HCPCS in 1979 and 1980 by using the AMA's CPT-4 [the copyrighted coding system] for physician services and adding HCFA-developed codes for some non-physician services. In addition, we developed conversion techniques to prevent unwarranted payment escalation.

50 Fed.Reg. 40895, 40897. To be precise, then, HCFA had its own coding system (the HCPCS) that incorporated AMA's code but also included additional information.

But unlike Veeck, Practice Management Information Corporation, a commercial publisher of medical textbooks, was not trying to publish its own version of the HCPCS. Practice Management desired to sell a cheaper edition of the AMA's code, which was also used by insurance companies and had other non-governmental uses. It is not clear how the Ninth Circuit would have decided the case if Practice Management had published a copy of the HCPCS. By analogy, the result in this case would have been different if Veeck had published not the building codes of Anna and Savoy, Texas, but the SBCCI model codes, as model codes.

IV. Policy Arguments

Many of SBCCI's and the dissent's arguments center on the plea that without full copyright protection for model codes, despite their enactment as the law in hundreds or thousands of jurisdictions, SBCCI will lack the revenue to continue its public service of code drafting. Thus SBCCI needs copyright's economic incentives.[21]

Several responses exist to this contention. First, SBCCI, like other code-writing organizations, has survived and grown over 60 years, yet no court has previously awarded copyright protection for the copying of an enacted building code under circumstances like these. Second, the success of voluntary code-writing groups is attributable to the technological complexity of modern life, which impels government entities to standardize their regulations. The entities would have to promulgate standards even if SBCCI did not exist, but the most

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[21] SBCCI's factual "evidence" on this point consisted of self- serving affidavits from its officers and employees, and proof that it earns perhaps 40% of its revenue from sales of the domestic model codes and amendments. No effort was made to show by what amount copying by people like Veeck would or could reduce the organization's revenue.

fruitful approach for the public entities and the potentially regulated industries lies in mutual cooperation. The self-interest of the builders, engineers, designers and other relevant tradesmen should also not be overlooked in the calculus promoting uniform codes. As one commentator explained,

> ... it is difficult to imagine an area of creative endeavor in which the copyright incentive is needed less. Trade organizations have powerful reasons stemming from industry standardization, quality control, and self-regulation to produce these model codes; it is unlikely that, without copyright, they will cease producing them.

1 Goldstein s 2.5.2, at 2:51.[22]

Third, to enhance the market value of its model codes, SBCCI could easily publish them as do the compilers of statutes and judicial opinions, with "value-added" in the form of commentary, questions and answers, lists of adopting jurisdictions and other information valuable to a reader. The organization could also charge fees for the massive amount of interpretive information about the codes that it doles out. In short, we are unpersuaded that the removal of copyright protection from model codes only when and to the extent they are enacted into law disserves "the Progress of Science and useful Arts." U.S. Const. art. I. § 8, cl. 8.

CONCLUSION

For the reasons discussed above, we REVERSE the district court's judgment against Peter Veeck, and REMAND with instructions to dismiss SBCCI's claims.

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[22] This court's opinion does not, of course, withdraw all copyright protection from the model codes qua model codes.

PATRICK E. HIGGINBOTHAM, Circuit Judge, joined by KING, Chief Judge, and W. EUGENE DAVIS and CARL E. STEWART, Circuit Judges, dissenting:

In this difficult case I am persuaded to join the view that would affirm the judgment of the district court. It is undisputed that Veeck copied the copyrighted product of SBCCI. That parts of the copied material contain the same expressions as the adopted codes of two Texas cities is no defense unless the use by the cities of the protected expression somehow invalidated SBCCI's copyright.

The cities could have hired counsel and engineers to draft a code, recouping its expense either from all taxpayers or by charging a fee to users for a copy of its ordinance. A city could also decide, on behalf of the citizens, to license a finished and copyrighted work. Either is a decision by elected representatives.

Against a refrain that "the law" belongs to the people, Veeck asked us to conclude, as a matter of federal common law, that the choice made by the voters of this municipality was not available to it. Its utility as a decisional norm aside, the refrain passes by the fact that it was legislators who chose what they thought was the most practical path, to adopt a technical code developed at the expense of others under a licensing agreement.

Nothing suggests that private entities will control access to "the law." A contrary vision persists while ignoring the assured access of persons interested in the language of the ordinance. We are not told what impediment a person interested in the ordinance will face that will not be avoided by the doctrines of fair use and implied license or the constitutionally footed right of persons to access the law. Nor does developed case law tell us.

Banks holds that judges, as public employees, cannot have a financial interest in the fruits of their judicial labors. It is a case about authorship, about the acquiring of copyrights by public officials, not a case invalidating the copyrights held by private actors when their work is licensed by lawmakers.

As for the merger doctrine, I am not persuaded that it brings anything more to the table. That doctrine reflects the narrow circumstance where an idea can be expressed only one way and hence protection of its expression gives way. A complex code, even a simple one, can be expressed in a variety of ways. That reality is not ended by choosing one manner of expression to enact and then pronouncing that this normative rule — "the law" — can only be expressed in one way. Of course, you have adopted the protected expression; the reasoning is wholly tautological. It is a restatement of the conclusion that adopting the codes invalidated the copyright, not an independent reason why that is so.

There is a strong argument for that conclusion and it can be simply stated without calling on the illusion of the merger doctrine: the thinness of the protection enjoyed by this specie of copyright is overcome by the stronger public policy of unfettered access to enacted law, a victory expressed in the conclusion that enacting the code into law put the expression in the public domain. Whether that is so is our question and the merger doctrine does not answer it. Rather we are pushed to decide this case by reconciling two competing policies, expressed at a high level of generality, not unlike the large-scale balancing characteristic of judicial findings of violations of substantive due process. Doing so lacks the accretive marks of case-by-case adjudication, vital to the discipline of judges wearing their "common law" hats. Perhaps we will reach that point in the seriatim course of deciding the cases. If and when

we do, the choices will come with more sharply defined features than the abstraction we now have.

Significantly the absence of easily-found answers to the large, broadly-stated policy choices calls for caution. As I earlier observed, these small cities were empowered by the work of SBCCI; they gained the benefit of uniformity in regulation with other cities in their codes as well as proven quality — with the ability to charge a small fee for copies. Any person wishing a copy of the code can obtain it. They can reproduce it for critical commentary or to express their displeasure with its content, even make copies to circulate in a campaign urging that it be rescinded.

It bears emphasis that the Congress is best suited to accommodate its Congressionally-created copyright protection with the extraordinary changes in communication trailing the development of the internet. Unless of course it is contended that some Constitutional principle denies Congress the power to authorize copyright protection for governmental entities wishing to adopt codes such as those before us today. And of course the state legislatures and the municipalities are differently situated in another relevant and vital way--the state enjoys an immunity that the municipalities do not. It is ironical that the federal courts are asked to accept a broadly stated principle that would regulate the states by decreeing that some federal principle denies them the choice of accepting or rejecting a license when absent its waiver of immunity the federal copyright regime is not enforceable against them. This unexplored territory offers a confusing backdrop and also counsels caution.

Another confusion must be put aside. When Veeck did his work, the code was already available on the internet, albeit subject to the terms of its license. Veeck's effort was to put the

code on the internet free of license. To accept Veeck's contention would invalidate the copyright on every model code except those in inventory that had never been adopted by any governmental body. Publishing adopted model codes as a set with the list of governmental bodies adopting them could be accomplished without honoring the copyright because there would be no copyright.

In sum, the suggestion that SBCCI's position asks this Court to extend the reach of the copyright law is exactly backwards. The copyrights at issue here were concededly valid before the cities adopted them as codes. The proper question is whether we should invalidate an otherwise valid copyright as well as the solemn contract between the governmental body and SBCCI. That aggressive contention must find stronger legs than the rhetoric it comes clothed in here. The contention comes with no constitutional or statutory text, except its reliance upon the merger doctrine, and that is wordplay. This is federal common law adjudication. Its hallmark must be case-by-case accretion and measured decision making, even if the case-by-case explanation of the permissible restraint upon the copying of an enacted code leads to the conclusion that Veeck urges today — and I am not yet willing to embrace — that invalidity of the copyright is the inevitable consequence of code adoption. Rather, I conclude that Veeck violated the explicit terms of the license he agreed to when he copied model codes for the internet and posted them. I decide no more.

WIENER, Circuit Judge, joined by KING, Chief Judge, and PATRICK E. HIGGINBOTHAM, W. EUGENE DAVIS, CARL E. STEWART, and DENNIS, Circuit Judges, dissenting:

Technical codes and standards have become necessary, pervasive, and indispensable ingredients of Twenty-First Century life in this country; regrettably, today's majority

opinion has a real potential of drastically changing the societal landscape through that opinion's predictably deleterious effects on these codes and standards, their authors, and the public and private entities that daily use and depend on them. Despite efforts to clothe its ruling in classic copyright lingo — "public domain," "fact/expression," "merger" — in holding for Veeck under the discrete facts of this case, the majority had to (and did) adopt a *per se* rule that a single municipality's enactment of a copyrighted model code into law by reference strips the work of all copyright protection, *ipso facto*. Firmly believing that for this court to be the first federal appellate court to go that far is imprudent, I respectfully dissent.

I. FACTS AND PROCEEDINGS

As the underlying facts are undisputed, I adopt the majority opinion's detailed recitation of the facts, supplementing it with the following observations contained in the record. The technical codes here at issue are not mere compilations; rather they are original, "from scratch" creations by SBCCI which rightfully enjoy copyright protection from their inceptions. In each of its codes, SBCCI asserts a copyright under which it claims the exclusive right to publish these codes or license their reproduction and publication. Despite its copyright, SBCCI ensures free access by specifying that once a governmental unit enacts such a model code into law, copies must be made available for inspection by the public in the enacting government's offices. As a general proposition, members of the public may make or obtain copies of portions of the adopted versions of SBCCI codes from city offices or local libraries, or

may purchase copies of the codes directly from SBCCI and from some third-party sources, such as bookstores.[1]

Several municipalities in North Texas have adopted SBCCI's codes, including the towns of Anna and Savoy. Veeck avers that he attempted to obtain a copy of the building code of his hometown of Denison, Texas, after learning that it had adopted SBCCI's Model Building Code as its own. Failing to locate Denison's building code at local bookstores or libraries, Veeck ordered copies of the codes that SBCCI had produced. He ordered these copies in electronic format directly from SBCCI.[2] According to Veeck, he later visited approximately twenty towns in North Texas, including Anna and Savoy, in an effort to obtain copies of their local building codes, not all of which had been produced by SBCCI. Veeck was not able to buy complete copies at any of the towns that he visited.[3] He apparently never attempted to view or copy the SBCCI codes in any city clerk's or other municipal offices of the towns that had enacted the codes by reference.

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[1] As noted by the majority members and nonmembers are charged different prices for copies of the codes. For example, members were charged $48 for a copy of SBCCI's 1994 Standard Building Code, for which nonmembers were charged $72.

[2] The record is not completely clear, but it appears that Veeck made no attempt to view or copy the codes in the Denison city clerk's office. When Veeck received the 1994 codes from SBCCI, he realized that Denison had adopted the 1988 version of the building codes. He posted the 1994 codes on his Internet site despite the fact that they were not the same as the version adopted by Denison.

[3] It appears that in some of the cities, the correct version of the building code was not available at alternative locations. For instance, Sherman, Texas, had adopted the 1997 version of the building code, but the local library had only the 1994 version on hand.

In contravention of the software license agreement and copyright notice included with the electronic version of the model codes he purchased from SBCCI, Veeck failed to identify the codes as the products of SBCCI when he posted them on his website. Instead, he simply (and inaccurately) [4] identified them as the building codes of Anna and Savoy, Texas. As detailed in the majority opinion, the litigation ensuing from this conduct culminated with the grant of summary judgment in favor of SBCCI on its claims for copyright infringement. As Veeck cannot legitimately find a safe haven in any of his affirmative defenses, the district court's order should have been affirmed.

II. ANALYSIS

A. Standard of Review

This case is on appeal from a grant of a summary judgment that dismissed Veeck's declaratory judgment action and granted SBCCI's requested copyright infringement and damages relief. We review the record *de novo*, applying the same standard as the district court.[5]

B. Merits

1. Overview

Despite the efforts of Veeck (and of those amici who support him and of the en banc majority opinion) to paint this case as a broad one with dire constitutional implications, the

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[4] Veeck did not include the enacting ordinances of either municipality. Anna's enacting statute, for example, includes ordinances resolving conflicts between the adopted SBCCI code and previous city laws and also includes a clarification regarding which city officials would be responsible for enforcing different sections of the code.

[5] *Morris* v. *Covan World Wide Moving, Inc.*, 144 F.3d 377, 380 (5th Cir.1998).

question before us is truly quite narrow. In fact, it is the majority opinion that creates drastic constitutional alterations by ruling in Veeck's favor, thereby improvidently decreeing an absolute and inflexible rule, ill-suited for modern realities. Conversely, had we held for SBCCI, we would have remained well within the precedential and persuasive boundaries of established copyright law. My analysis is necessarily delimited by the particular, undisputed facts of the case: Veeck is a non-commercial, non-educational, non-contractor, non-official, non-resident of either Anna or Savoy, who purchased a copyrighted work, replete with warnings about infringement, and published that work virtually in its entirety on the internet. Veeck published on his website the entire substantive portion of the model building code that he purchased from SBCCI, redacting only the identity of the code's author (SBCCI) and the statement that the code was copyright protected, and inserting that they were the codes of Anna and Savoy. Veeck's only professed justification for infringing SBCCI's copyrights was that two or more small municipalities in northern Texas — of which Veeck was neither a resident nor otherwise related to in any capacity, official or unofficial — had, at the invitation of the code's author, enacted the codes into law by reference. Because he cannot, Veeck does not contend that Anna or Savoy denied him access to their codes or that he (or anyone else) was unable to view the law to which the citizens of Anna and Savoy are subject. Had Anna, Savoy, or SBCCI blocked the code's availability, I would be among the first to recognize Veeck's (and anyone else's) right of access to "THE law." That, however, is simply not the case before us; this is not a free access case and cannot be so classified.

Under this narrow set of facts, Veeck prevails only because the en banc majority ruled favorably on at least one of his

affirmative defenses,[6] without which, his publication of the codes is indisputably an infringement of SBCCI's copyright. Given Veeck's global re-publication of SBCCI's copyrighted model codes, his at-best remotely tangential relationship to the codes and other laws of Anna and Savoy, his inability to present evidence that he was denied access to the towns' codes by the towns or SBCCI, the countervailing public policy concerns supporting copyright protection, and the direction and intent of recent congressional enactments and appellate case law, we should not have condoned Veeck's violation of SBCCI's copyright.

Reduced to its bare essentials, the majority's holding in favor of Veeck indisputably enacts the blanket, per se rule that once a copyrighted work is enacted into law by reference, it loses its entire copyright protection, *ipso facto*, regardless of the nature of the author, the character of the work, or the relationship of the copier to the work or to the governmental subdivision that enacted the work into law through incorporation by reference. Such an extremely broad and inflexible rule propels the majority's holding far beyond the ambit of Congress's enactments, the Supreme Court's pronouncements, and the opinions of other appellate courts that have addressed similar issues. Yet the possibility of obtaining such an all-encompassing ruling constituted Veeck's only hope of overcoming SBCCI's copyright protection vis-à-vis an otherwise admitted infringer who is too attenuated from anything that might otherwise excuse the unauthorized copying of these codes cum ordinances, such as a "need to know" for purposes of complying with one or more provisions of the codes. Veeck meets none of these criteria.

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[6] Veeck advanced defenses grounded in due process, public domain, fair use, waiver, copyright misuse, merger, and free speech.

2. *Due Process/Public Domain*

a. *Absence of Controlling Legal Authority*

In the absence of an expressed pronouncement from either the Supreme Court or Congress,[7] our creation of an automatic rule rendering the copyright of a model code nugatory *per se* when and if it is enacted into law is unwise, imprudent, and far in excess of our authority. *Before* such a work is enacted into law, the Copyright Act unquestionably affords copyright protection to its author; and Congress has given no indication that, on enactment, this protected status evanesces *ipso facto* as to the whole universe of potential copiers.[8] As I discuss in greater detail below, recent congressional enactments and accompanying federal agency policies strongly predict that, were Congress to address the issue here presented, it would

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[7] *Cf. CCC Information Services, Inc.* v. *Maclean Hunter Market Reports (CCC)*, 44 F.3d at 73-74 (2d Cir.1994) (discussing whether the Red Book, which was adopted by States as the legal standard for car valuations, passed into the public domain by virtue of its reference into the law):

> The [public domain] argument is that the public must have free access to the content of the laws that govern it; if a copyrighted work is incorporated into the laws, the public need for access to the content of the laws requires the elimination of the copyright protection.
>
> ...
>
> No authority cited by CCC directly supports the district court's view [the view that the Red Book had passed into the public domain]. ... We are not prepared to hold that a state's reference to a copyrighted work as a legal standard for valuation results in loss of the copyright. (emphasis added).

[8] *Cf. County of Suffolk* v. *First American Real Estate Solutions*, 261 F.3d 179, 193 (2d Cir.2001) ("The determination that no one may own a copyright in statutes and opinions arises not from a specific provision of the Copyright Act, but from a 'judicial gloss' on the Act.") (citation omitted).

preserve the protection of SBCCI's copyright, at least under circumstances like those we consider today.[9]

As for the Supreme Court, its most analogous opinion, *Banks* v. *Manchester*, falls markedly short of answering the question.[10] The Court grounded its century-and-one-quarter old *Banks* holding — that judicial opinions cannot be copyrighted — in the logic that, as the product of judges who are paid from public coffers and elected or appointed for the sole purpose of interpreting and applying the law, judicial opinions can never be copyrighted.[11] Thus *Banks* turns not on the nature of the *work* but on the nature of the *author*. By its own terms, the *Banks* holding is obviously limited to the work of taxpayer-paid public officials who produce or interpret the law. The majority's stretching of *Banks* to the facts of the instant case constitutes a clear overreaching that finds no definitive support from any controlling authority.

In the absence of expressed congressional guidance or directly controlling Supreme Court precedent, we were left to address — prudentially — a wide-open and unresolved question of copyright law: Should the entirety of a privately confected and promulgated model code, access to which has been denied to none, lose its copyright protection *in toto*, against all the world, solely by virtue of its enactment into law by reference?

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[9] *See, e.g.*, National Technology and Transfer Act of 1995, P.L. 104-113, § 12(d), 110 Stat. 783 (1996); OMB Circular A-119, 63 Fed. Reg. 8545, 8555 (Feb. 19, 1998).

[10] *Banks* v. *Manchester*, 128 U.S. 244, 253, 9 S.Ct. 36, 32 L.Ed. 425 (1888) (holding judicial opinions uncopyrightable because they are created by judges paid from the public's coffers); see also *Wheaton* v. *Peters*, 33 U.S. 591, 668, 8 Pet. 591, 8 L.Ed. 1055 (1834) (same).

[11] This rationale is also applicable to statutes created by legislators paid by public funds.

If Congress or the Supreme Court wishes to strip totally the copyright protection otherwise enjoyed by model codes as an automatic result of being enacted into law, and to justify such emasculation by invoking the doctrines of free speech, due process, merger, or the like, that would be their prerogative. Prudence demands, however, that so large a step beyond all established legal boundaries should not have been taken first by an intermediate appellate court. Indeed, recent appellate case law, congressional pronouncements, and federal agency actions, predict the diametrically opposite result: a discernable trend towards greater governmental adoption of privately created codes with concomitant retention of copyright protection, tempered, of course, by express or implied consent or waiver — or even fair use — for those officials, residents, contractors, subcontractors, and design professionals who have a need to view and copy portions of codes to comply with their provisions.

b. Policy Analysis for Copyright Protection

What *Banks* and other opinions undeniably teach about assessing the copyright protection of works like the codes here at issue is that "[t]he question is one of public policy...."[12] Accordingly, these decisions do not stand for the abstract and generic proposition that all law qua law, regardless of its form, authorship, or content, is automatically unprotected fair game as to all copiers, without distinction. Hence, courts are given

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[12] *Banks*, 128 U.S. at 253, 9 S.Ct. 36; see also *CCC*, 44 F.3d at 68:

> We reach this conclusion [reversing summary judgment in favor of a publisher who copied portions of appellant's used car valuations which were referenced by state statutes] based on the need to balance the conflicts and contradictions that pervade the law of copyright, and the need, where elements of copyright law conflict, *to determine, as a policy judgment,* which of its commands prevails over the other. (emphasis added).

the weighty task of balancing, on the one hand, the policy concerns that favor the constitutionally mandated retention of copyright protection for privately authored works and, on the other hand, the policy concerns that would permit stripping the author of a privately created work of copyright protection once that work is enacted into law. I do not dismiss lightly the policy considerations supporting this latter concern. Yet, when properly limited to the narrow set of facts before us, the scale of countervailing policy considerations is tipped — slightly yet undeniably — in favor of enforcing SBCCI's copyright, vis-à-vis Veeck and any others (but only they) who are identically situated.

I begin with an assessment of the policy consideration supporting Veeck's position — namely, the due process and public domain concerns. As an initial matter, the type of due process asserted by Veeck is murky at best. He was not denied access to the codes by either the towns or SBCCI (indeed, he has never alleged that he even tried to attain access directly from either town, or his home forum for that matter), and he was never charged with or prosecuted for a code violation[13]; therefore, his claim cannot be based on procedural due process. And, inasmuch as copyright is a federal law, no state action could deprive him of a fundamental right that would trigger a substantive due process claim. Neither has Veeck pointed to any state actor who has purportedly denied him due process. Yet despite his unimpeded access to the law and the absence of state action, Veeck argues amorphously that his due process rights somehow allow him freely to copy and publish otherwise copyright-protected codes once they are enacted into law by reference.

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[13] Should some municipality, or SBCCI, ever truly restrict the public's free access to the enacted codes, any defendant prosecuted for violating sections of the building codes would surely prevail on a due process defense.

I reiterate for emphasis that this would be an entirely different case if Veeck's (or anyone's) access to the law had been denied or obstructed; instead, we deal here only with Veeck's bald pronouncement — now legitimated by the majority opinion — that, once a code is enacted into law, due process does not merely afford him access, but also gives him unfettered copying and dissemination rights.[14] The majority's acceptance of Veeck's position is truly a novel extension of any prior judicial recognition of a due process right. True enough, Veeck can copy and publish judicial opinions and statutes on his website with impunity. He can do so, however, not because of his due process rights, but rather because — as judicial opinions and legislatively drafted statutes have never enjoyed copyright protection, could never enjoy such protection, and are in the public domain from the moment of their inception — such works are entitled to no copyright protection or restrictions.[15]

Logically then, the only possible support for Veeck's due process position is his wholly unsupported assertion that, by virtue of their adoption into law by reference, the codes have entered the *public domain* and are therefore denuded of all copyright protection whatsoever, regardless of their content or the identity of the author or other interested parties. According

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[14] *Cf. Practice Management Information Corp.* v. *American Medical Association (Practice Management)*, 121 F.3d 516, 519 (9th Cir.1997) (in denying the *Practice Management's* due process/public domain argument, the court noted "*Practice Management* is not a potential user denied access to the CPT, but a putative copier wishing to share in AMA's statutory monopoly. *Practice Management* does not assert the AMA has restricted access to users or intends to do so in the future.").

[15] Moreover, as further discussed *infra*, wide, unrestricted dissemination of opinions and statutes has no possible harmful effects on the "creativity" of those who author judicial opinions and statutes; their jobs and their compensation have no nexus to their creativity, and vice versa.

to Veeck — and now our en banc majority — simply by virtue of their adoption into law, SBCCI's model codes have become "THE law"; and as THE law, all THE people (not just those who may be deemed metaphysically to have been the authors by virtue of their elected legislatures' acts of adoption) have an absolutely unfettered right to do whatever they please in the way of copying and publishing, in total disregard of the author's otherwise valid and enforceable copyright.

Admittedly, the majority's argument finds rhetorical support from the First Circuit's dicta in *Building Officials & Code Admin.* v. *Code Technology, Inc. (BOCA)*, in which that court stated "[t]he citizens are the authors of the law, and therefore its owners, regardless of who actually drafts the provisions because the law derives its authority from the consent of the public, expressed through the democratic process."[16] Undoubtedly, this metaphorical concept of citizen authorship cum ownership has great symbolic, "feel-good" appeal. The majority's uncritical application of that proposition to the instant case, however, naively treats all manifestations of "THE law" in our increasingly complex society monolithically and without differentiation. The Supreme Court took no such position in *Banks*; in fact, *Banks* addresses only judicial opinions and other pronouncements of the law created ab initio by publicly paid officials.[17] Furthermore, although the symbolic position advanced in *BOCA's* grandiloquent dicta ostensibly contemplates a broad application for the proposition of citizen authorship and control, *BOCA's* actual holding is very narrow

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[16] *BOCA*, 628 F.2d 730, 734 (1st Cir.1980).

[17] *County of Suffolk* v. *First American Real Estate Solutions*, 261 F.3d 179, 194 (2d Cir. 2001) ("*Banks* is properly read as requiring a determination whether the particular governmental entity or employee has adequate incentive to create the work absent copyright protections.").

and unrelated to any such abstract musings about the democratic process.

In fact, the *BOCA* court expressly avoided deciding whether *BOCA's* model code retained its copyright after enactment, noting that "the rule denying copyright protection to judicial opinions and statutes grew out of a much different set of circumstances than do these technical regulatory codes.... "[18] Therefore, the majority's rote application of the lofty platitude of citizen ownership of "THE law," without exploring the distinctions between different types of enactments and the policy considerations attendant on each, is far too simplistic. Such an analysis is inconsistent with the thorough policy evaluations evidenced by those courts that heretofore have deliberated on similar copyright issues.[19]

The privately created model codes enacted into law in this case are easily distinguishable from judicial opinions or statutes in several important respects. First and most obviously, model codes are not created by elected or appointed officials paid from public fisc, rendering inapt the mythical concept of citizen authorship. Indeed, to the exact opposite, rather than producing regulatory codes themselves, the officials elected as the citizens' voice chose, on behalf of their constituents, not to head down the long, expensive, and highly technical road of special code drafting, opting instead to adopt, cost-free, codes authored by private entities, because doing so is convenient, efficient, and cost-effective.

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[18] *BOCA*, 628 F.2d at 736 (emphasis added).

[19] *See Banks*, 128 U.S. 244, 9 S. Ct. 36, 32 L.Ed. 425; *County of Suffolk*, 261 F.3d 179 (2d Cir. 2001); *Practice Management*, 121 F.3d 516 (9th Cir. 1997); CCC, 44 F.3d 61 (2d Cir. 1994); *BOCA*, 628 F.2d 730 (1st Cir. 1980).

Second, these narrowly focused codes are detailed and complex, requiring technical expertise on the part of the author. Third, they are of limited, highly specialized effect as to who has a real interest and is actually affected, unlike judicial opinions and statutes, which generally have broad if not universal application.

Finally, Congress itself has provided the strongest support for the proposition that these privately created codes should be treated differently than other laws. Recognizing that the production of a comprehensive technical code requires a great deal of research, labor, time, and expertise, Congress in the National Technology and Transfer Act of 1995 (the "NTTA") expressly directs that "Federal agencies and departments shall use technical standards that are developed or adopted by voluntary consensus standards bodies...."[20] The OMB, in its

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[20] National Technology and Transfer Act of 1995, P.L. 104-113, § 12(d), 110 Stat. 783 (1996). I note that although the NTTA and the OMB Circular address the policy of using privately created standards and retaining copyright protection for those standards, they are still wholly applicable to the analysis of privately created codes. Rather than a substantive, meaningful legal distinction, Congress's and the OMB's references to "standards" rather than "codes," in all likelihood reflects the difference between federal and local lawmaking. Federal law, because it does not govern the safety and building ordinances of states or municipalities, generally addresses national standards instead of specific safety and building requirements embodied in a code. In substance, though, technical codes are "standards;" for purposes of today's decision, those terms are synonymous. The majority's purported distinction between standards and codes is far too narrow to decide the instant case on those grounds — it is a paradigmatic example of a distinction without a difference. The same principles that apply to the analysis of privately created standards apply to privately created codes — both deal with the protection afforded to privately organized and authored collections of hyper-technical data for use in a specialized segment of today's complex society that benefits from uniformity in those data. This understanding is supported both by appellate case law and evidenced by the standards-creating bodies filing amicus briefs in support of SBCCI's

Circular A-119, which was designed to provide guidance to federal agencies in the wake of the NTTA, requires that "[i]f a voluntary standard is used and published in an agency document, *your agency must observe and protect the rights of the copyright holder and any other similar obligations.*"[21] These pronouncements by Congress and the OMB strongly evince a recognition that the privately created regulatory codes and standards differ greatly from either judicial opinions or a statutes. Technical codes are indispensable resources in today's increasingly complex, high-tech society, and they deserve authorship protections not afforded to other types of "THE law."

The First Circuit's overbroad dicta in *BOCA* was announced in 1980, well before the advent of the internet and well *before* the announcement of the federal government's legislated policy directing the adoption of privately created codes to serve the principles of efficiency and economic competition.[22] Moreover, *recent* appellate case law supports the

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position. See *Practice Management*, 121 F.3d at 518-19 ("As the AMA points out, invalidating its copyright on the ground that the CPT entered the public domain when HCFA required its use would expose copyrights on a wide range of privately authored model codes, standards, and reference works to invalidation.") (emphasis added); see also amicus filed by, inter alia, American National Standards Institute in support of SBCCI.

[21] OMB Circular A-119, 63 Fed. Reg. 8545, 8555 (Feb. 19, 1998) (emphasis added).

[22] *Id.* at 8554:

> The use of such standards, whenever practicable and appropriate is intended to achieve the following goals:
>
> a. Eliminate the cost to the Government of developing its own standards and decrease the cost of goods procured and the burden of complying with agency regulation.
>
> b. Provide incentives and opportunities to establish standards that

recognition of the clear differences between, on the one hand, privately developed standards that are adopted into law by reference and, on the other hand, law created by legislators and judges.[23] Thus, the majority's superficially appealing contention that from a policy perspective, "THE people" may do as they please with "THE law" rests on the flawed foundation that "THE law," irrespective of whether it be in the form of opinions, statutes, or regulatory standards or codes — and irrespective of by whom it is "made" — should be treated identically. Modern realities and case law directly contradict this simplistic abstraction: The policy considerations that

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serve national needs.

c. Encourage long-term growth for U.S. enterprises and promote efficiency and economic competition through harmonization [uniformity] of standards.

d. Further the policy of reliance upon the private sector to supply Government needs for goods and services. (emphasis added)

[23] *See County of Suffolk* v. *First American Real Estate Solutions*, 261 F.3d 179 (2d Cir.2001) (developing a two-pronged economic incentive/public need test to determine whether tax maps developed by the County of Suffolk were in the public domain from inception and therefore stripped of copyright protection; citing Practice Management and the panel opinion in Veeck, deciding that, as a matter of law, the county's tax maps were not in the public domain); *Practice Management*, 121 F.3d 516, *cert. denied*, 522 U.S. 933, 118 S. Ct. 339, 139 L.Ed.2d 263, *opinion amended by* 133 F.3d 1140 (finding that the American Medical Association did not lose the right to enforce its copyright when use of its promulgated coding system was required by government regulations); *CCC*, 44 F.3d 61, *cert. denied*, 516 U.S. 817, 116 S.Ct. 72, 133 L.Ed.2d 32 (upholding copyright of privately prepared listing of automobile values that states required insurance companies to use); see also 1 Melville B. Nimmer & David Nimmer, Nimmer on Copyright s 5.06[C], at 5-91 (2000) ("It is questionable whether [the due process clause] justifies the denial of copyright to a private person or group who produces such a model code.").

dictate unlimited and unrestricted publishing of judicial opinions and statutes simply do not appertain here.

The policy concerns supporting the retention of at least some copyright protection for SBCCI are more persuasive and probative. First and most importantly, unlike judges and legislators who are paid from public funds to issue opinions and draft laws, SBCCI is a private sector, not-for-profit organization which relies for its existence and continuing services, in significant part, on revenues from the sale of its model codes.[24] The necessity of maintaining the economic incentive of copyright protection for these private entities prompted the Ninth Circuit to rule in favor of the AMA's retention of its copyright in the Physician's Current Procedures Terminology ("CPT") despite a federal agency's adoption of the CPT:

> The copyright system's goal of promoting the arts and sciences by granting temporary monopolies to copyrightholders was not at stake in *Banks because judges' salaries provided adequate incentive to write opinions. In contrast, copyrightability of the CPT provides the economic incentive for the AMA to produce and maintain the CPT.* "To vitiate copyright, in such circumstances, could, without adequate justification, prove destructive of the copyright interest, in encouraging creativity," a matter of particular significance in this context because of "the

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[24] Approximately one-third, or $3 million, of SBCCI's annual $9 million dollar revenue is generated by sales of model codes to contractors and other interested parties. The remaining revenue is mainly derived from the annual fees of voluntary members and member organizations. Voluntary members include scholars, builders, contractors, and governmental entities that have adopted the code.

increasing trend toward state and federal adoptions of model codes."[25]

This approach is also consistent with the Second Circuit's two pronged test in *County of Suffolk* for determining whether a work may be deemed to be in the public domain: "(1) whether the entity or individual who created the work needs an economic incentive to create or has a proprietary interest in creating the work and (2) whether the public needs notice of this particular work to have notice of the law."[26] Here, without the ability to control unrestricted gratuitous dissemination of its model codes, SBCCI would lose significant revenue, in turn substantially impinging on the financial incentive and ability to continue creating and revising its model codes, absent some alternative source of funds.[27]

The importance of affording organizations like SBCCI protection from attenuated third parties like Veeck — even when motives are pure and unfair financial competition is not the goal — is best underscored by verbalizing the natural consequence of reducing the revenues, and thus the creative incentives, for organizations like SBCCI. Without private code-creating entities, our smaller towns — and even some of our larger cities, states, and agencies of the federal government — would be forced to author their own regulatory codes. Such

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[25] *Practice Management*, 121 F.3d at 518 (quoting 1 Nimmer on Copyright s 5.06[C], at 5-92 (1996))(emphasis added).

[26] *County of Suffolk*, 261 F.3d at 194.

[27] We note here that the second prong of the County of Suffolk test is no barrier. As stated above, although the codes are necessary for a citizen to have proper notice of the building code regulations of Anna and Savoy, no allegations have been made here to suggest that Veeck was denied notice or access to the codes. We stress that the right of unlimited republication is a far cry from the rights of access to and notice of the law.

a task would inefficiently expend the time and resources of the legislative and executive bodies of these governmental entities, not to mention the question of available expertise. To create codes of appropriate detail, accuracy, and information, governmental bodies would have to enlist the aid of technical experts, undoubtedly at considerable cost. Finally, causing municipalities, states, and the federal agencies to engage in this activity could lead to innumerable variations of any given code, thereby undermining uniformity and, with it, safety and efficiency. For small towns like Anna and Savoy, such a result could be even more detrimental, as their limited resources well might be insufficient to absorb the costs of creating their own codes. Ultimately, taxpayers would end up paying for a service that is currently provided efficiently, expertly, and at no expense to them.

I hasten to add that, for my analysis to have force, SBCCI need not be put completely out of business. Continued maintenance of a revenue source from sales of codes to individual owners, architects, engineers, materials suppliers, builders and contractors as well as libraries and other more attenuated purchasers, all of whom buy copies of the codes directly from SBCCI, serves another public interest. I refer to the continuation of SBCCI's independence from the self interest of its dues-paying members, who otherwise might be in a position to command more influence were SBCCI forced to obtain too great a share of its revenue from such supporters. Clearly, SBCCI's receipts from sales of the codes substantially reduces the potential for greater dependence on its membership, presumably allowing SBCCI to operate without becoming entirely beholden for its existence to self-interested entities.

Finally, denying the Veecks of the world unrestricted republication and dissemination rights does not obstruct reasonable and necessary usage of and compliance with the

adopted codes. I remain confident that the copyright doctrines of fair use and implied license or waiver are more than adequate to preserve the ability of residents and construction industry participants to copy any portions of the code that they want or need to view. The fair use doctrine would also protect the use of the code, or portions of the code, as a teaching tool and would allow experts, lawyers, and judges freely to cite the code in their briefs or opinions without infringing SBCCI's copyright. These existing internal safeguards in copyright law show up the majority's dire predictions for the unrealistic hyperbole that they are.

It is important to keep in mind the record reality that neither Anna and Savoy themselves, nor builders, contractors, design professionals, or residents of Anna or Savoy, have complained of denied access to the codes or being hampered in their efforts to use, copy, or comply with the codes in a manner consistent with copyright law. Thus, the well-established doctrines of implied license and fair use preserve the public interest by allowing copyright protection to co-exist peacefully with all convenient and necessary use of the model codes.

In sum, Veeck has no real support for his infringement, being relegated to his abstract solipsism that due process immunizes any republication of the SBCCI's model codes once they are enacted into law by reference. This court's en banc majority holding today ignores case law from the Supreme Court and other appellate courts, which have instructed us that our conclusion here cannot be based on absolute or generic pronouncements regarding the nature of THE law. Instead we should reach our conclusion only after a careful weighing of the policy considerations of due process and copyright law in the unique framework of the particular facts of each case. Moreover, to the extent that recent congressional enactments and federal agency policies give guidance, they indicate that

SBCCI's copyright protections should be respected despite adoption of its codes into law.

Summarizing all pertinent factors — (1) the lack of controlling precedent from the Supreme Court or specific guidance from Congress on the issue, (2) federal law and federal agency policy encouraging the adoption of model codes and increasing the trend toward federal and state adoption of model codes, (3) the palpable distinction between the model codes at issue here and judicial opinions or legislative enactments, (4) case law from our fellow circuits that supports the retention of copyright protection even after adoption by reference into law, (5) the complete absence of any denial of access, (6) the truism that neither due process nor the metaphorical concept of citizen ownership of the law mandates totally unrestricted publication of adopted model codes, (7) SBCCI's identity as a private not-for-profit company which, unlike courts and legislatures, needs self-generated financial resources to continue independently creating and modifying its codes, (8) the knowledge that governmental obtain, free of cost, accurate, efficient and uniform regulatory codes which otherwise would be time-consuming and expensive (if not impossible in many instances) to develop in SBCCI's absence, and (9) the comfort that all reasonable and necessary use, copying, and republication by building owners, builders, contractors, design professionals, teachers, lawyers, as well as citizens and officials of the towns themselves, is assured protection by the fair use and implied license doctrines — convinces me that the public policy scale is tipped in favor of enforcing SBCCI's copyright protection against Veeck, who has never been denied access to the codes of Anna and Savoy and almost certainly never will be (but, if he ever is, he has alternative remediation available).

Finding that, on balance, these policy considerations favor SBCCI, I would conclude as a matter of law that, despite being adopted into law, SBCCI's codes are not in the public domain, and that Veeck's due process rights cannot be stretched far enough to permit his completely unrestricted copying and dissemination of SBCCI's codes. Veeck's other statutory and constitutional defenses similarly fail.

3. The Idea/Expression Dichotomy and Merger

Veeck insists (and now a majority of the active judges of this court agree) that the model codes lose their copyright protection by virtue of the idea/expression (or fact/expression) dichotomy in copyright law.[28] Veeck's basic contention is that when a model code is enacted into law by being adopted by reference, it automatically metamorphoses from "expression" to emerge as an "idea" — and that as an idea, it cannot be protected.[29] Relatedly, he contends that the doctrine of "merger" applies to nullify protection for expressions of an idea any time that there are only one or a very limited number of

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[28] 17 U.S.C. s 102(b):

> In no case does copyright protection for an original work of authorship extend to an idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

See also Feist Publications, Inc. v. *Rural Tel. Serv. Co.*, 499 U.S. 340, 349, 111 S. Ct. 1282, 113 L.Ed.2d 358 (1991) ("[C]opyright law assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work. This principle, known as the idea/expression or fact/expression dichotomy, applies to all works of authorship.")

[29] *Mason* v. *Montgomery Data, Inc.*, 967 F.2d 135, 138 (5th Cir.1992) ("Thus, while a copyright bars others from copying an author's original *expression* of an idea, it does not bar them from using the idea itself.") (emphasis in original)

ways to express a given idea.[30] The cornerstone of both arguments is the definition of "idea" in the context of a model code that has been enacted by reference.

a. Defining "Idea"

Veeck's argument fails because it misapprehends and misapplies the "idea" concept in copyright law. "Idea" in copyright law is a term of art which does not track its everyday, dictionary meaning. What constitutes an "idea" in the lexicon of copyright law cannot be determined by empirically analyzing a given fact situation until the nascent dividing line between the "idea" and its "expression" finally crystallizes; indeed, just the reverse is true. Case law reveals that identification of the "idea" in a work is not the starting point but the *result* of a judicial exercise that in turn is highly dependent on the precise factual situation being tested.[31] Therefore, designation of the enacted

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[30] Id. at 138:

> In some cases, however, it is so difficult to distinguish between an idea and its expression that the two are said to merge. Thus, when there is essentially only one way to express an idea, "copying the 'expression' will not be barred, since protecting the 'expression' in such circumstances would confer a monopoly of the 'idea' upon the copyright owner free of the conditions and limitations imposed by the patent law." (citations omitted).

[31] *Id.* ("A court's decision whether to apply the merger doctrine often depends on how it defines the author's idea. For this reason, in defining the idea the courts should be guided by 'the balance between competition and protection reflected in the patent and copyright laws.'") (citations omitted); *Peter Pan Fabrics, Inc.* v. *Martin Weiner Corp.*, 274 F.2d 487, 489 (2d Cir. 1960) (L. Hand, J.)(discussing what the court termed as "verbal works," the court stated "[T]here can be no copyright in the 'ideas' disclosed but only in their 'expression.' Obviously, no principle can be stated as to when an imitator has gone beyond copying the 'idea,' and has borrowed its 'expression.' Decisions must therefore inevitably be ad hoc."); see also Nimmer on Copyright s 13.03[B][2][a] at 13-60 ("Merely stating the rule [17

code as an idea *vel non* is a legal *conclusion* to be reached by a court, not an initial factual finding to be gleaned intuitively. That determination of idea is *not antecedent* to a policy determination regarding the "copyrightability" of the code; to the contrary, it is the logical *end-product* reached after competing concerns are weighed judicially.[32]

Courts frequently must decide how and at what level to draw the juridical line between idea and expression for copyright purposes. Judge Learned Hand, applying the idea/expression dichotomy to determine if one author's play infringed the work of another playwright, remarked:

> Upon any work, and especially upon a play, a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out. The last may perhaps be no more than the most general statement of what the play is about, and at times might consist only of its title; but there is a point in this series of abstractions where they are no longer protected, since otherwise the playwright could prevent the use of his "ideas," to which, apart from their expression, his property never extended. Nobody has ever been able to fix that boundary, and nobody ever can.[33]

U.S.C. § 102(b)], however, does not make any easier the task of drawing the line between where the idea ends and expression begins.").

[32] *Cf.* Nimmer on Copyright § 1.10[B][2] at 1-78 ("On the whole, therefore, it appears that the idea-expression line represents an acceptable balance as between copyright and free speech interests") (citing *United Video, Inc.* v. *F.C.C.*, 890 F.2d 1173, 1191 (D.C. Cir.1989)).

[33] *Nichols* v. *Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930). Commentators and courts have labeled this as Judge Hand's "abstractions test."

Our task in this case should have been to decide whether the "idea" embodied in the code is defined, at one extreme of the continuum, as the entire code itself in its tangible form, or if instead the "idea" is defined at a more removed and abstract level further along that continuum.

My foregoing analysis has already demonstrated that the policy considerations weigh in favor of granting SBCCI protection against Veeck and other copiers and republishers identically situated. Having laboriously arrived at this conclusion, and accepting that a building code can be expressed in myriad ways, I am convinced that the code in its tangible entirety is not the unprotected "idea" in this situation.[34] None question that this is true for codes that have not been enacted globally into law by reference, and nothing of which I am aware can magically change the expression that is the copyrighted code into a copyright idea by the simple act of adoption as a body of law. Today I need not, and therefore do not, attempt to answer the question of exactly where to draw the line and define the idea presented here. It suffices that the idea at issue in the code is substantially more abstract than the physical entirety of the code itself; so as a matter of law, the code as a unitary whole is not an "idea" to be denied copyright protection absolutely, but rather is one among a significant number of possible "expressions."

b. Merger

Libertarian advocates of freedom from essentially all copyright protection attempt to find a safe harbor in the merger doctrine as a last resort when they do not prevail on the idea/expression dichotomy. The merger doctrine, however, is

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[34] In doing so, I acknowledge that specific portions and discrete facts within the code could be considered facts or ideas, and therefore unprotectable.

a limited exception in copyright law, intended to shelter only those rare cases in which the "idea" is susceptible of more than one expression, but the number of possible *expressions* is so finite and small as to have effectively "merged" with the *idea*.[35] Similar to the general misconception of the idea/expression dichotomy, the widely misunderstood merger doctrine also depends on the level of abstraction at which the court defines the "idea" that is alleged to have merged with its expression.[36]

Again, Veeck can find no immunity in the merger doctrine because there exists a plethora of ways to *express* a building code, thereby making the merger doctrine inapplicable. Although some among the many highly specific, technical, and detailed provisions within a building code might be susceptible of being expressed in only one or a handful of ways — and thus conceivably be subject to merger — a total, unitary building code, *in globo*, may be written, organized, and presented in any one of innumerable forms. All concede that many code-drafting organizations like SBCCI exist and that they are constantly creating competing versions of topical codes; yet each is *expressed* differently — and each is copyrighted. As there exist considerably more than a tiny, finite number of ways to express a building code, the merger doctrine is inapplicable and thus unavailable to insulate Veeck's infringement from copyright protection.

4. Other Affirmative Defenses to Copyright Infringement

Veeck also contends that even if the codes are not in the public domain and cannot be classified as "ideas," his code

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[35] See generally *CCC*, 44 F.3d at 68; Nimmer on Copyright s 13.03[B][3] at 13-68 — 13-73.

[36] See supra note 37.

copying and dissemination activities are protected by the doctrines of free speech, misuse, waiver, and fair use under copyright law.[37] I address each of these contentions in turn.

a. Free Speech

None contends that SBCCI made any attempt to use its copyright to block or interfere with the public's access to the municipal codes of Anna and Savoy, Texas. In *Schnapper* v. *Foley*, the District of Columbia Circuit held that the First Amendment does not require the voiding of a copyright, even in a government-commissioned work, absent evidence that access to the work had been denied.[38]

Dealing only with the record facts, I find that Veeck's Free Speech defense is further weakened by what he did *not* do: He did not first obtain copies of the codes of these two cities and then publish them on the Internet. Instead, he purchased directly from SBCCI a copy of all its 1994 Standard Codes, which arrived bearing a copyright notice and a license agreement. Ignoring these, Veeck copied that set onto his computer and posted it on his own website, identifying it as containing the municipal codes of the two towns but without advising the identity of the author or the fact of copyright. That which Veeck did and that which he did not do are inherently different: What he did not do comes closer to an interested party's fair use of his local building code;[39] what he did exemplifies a purchaser who assumes the risk of actively

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[37] Another defense, implied license, was raised by amicus curiae Association of American Physicians & Surgeons, Inc., but was not addressed by either party in the district court or on appeal. Hence, I do not address it. See *Christopher M.* v. *Corpus Christi Indep. Sch. Dist.*, 933 F.2d 1285, 1292 (5th Cir.1991).

[38] 667 F.2d 102, 115-16 (D.C. Cir.1981).

[39] Veeck's fair use defense is discussed further infra.

disregarding the intellectual property rights held and announced by the author/supplier of a commercial product.

Factually, in enforcing its copyright in its model codes, SBCCI simply is *not* stifling access to, or speech about, THE law. SBCCI has not violated the First Amendment vis-à-vis Veeck.

b. Misuse

The equity-based defense of copyright misuse, which prevents a culpable author from prevailing in an action for the infringement of a misused copyright, "'forbids the [copyright holder's] use of the copyright to secure an exclusive right or limited monopoly not granted by the Copyright Office and which is contrary to public policy to grant.'"[40] In *Practice Management*, the Ninth Circuit concluded that the American Medical Association misused its copyright when it licensed its coding system to the Health Care Financing Administration. The copyright misuse was the AMA's imposition of a condition on its grant of a license that the licensee-agency agree not to use any competing system.[41] Veeck, in contrast, has raised no genuine issue of material fact regarding any purported misuse by SBCCI of its copyright. The summary judgment record is devoid of evidence that the organization mandates the exclusive use of its codes or any other of its services as a condition of a governmental subdivision's adopting one of the codes. There is thus no record evidence of facts constituting misuse that in turn would prevent enforcement of SBCCI's copyright.

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[40] *DSC Communications Corp.* v. *DGI Techs., Inc.*, 81 F.3d 597, 601 (5th Cir. 1996) (quoting *Lasercomb Am., Inc.* v. *Reynolds*, 911 F.2d 970, 977 (4th Cir. 1990)).

[41] *Practice Management*, 121 F.3d at 520.

c. Waiver

Neither can Veeck prevail on his assertion that SBCCI expressly or impliedly waives its entitlement to copyright protection vis-à-vis the whole world when it successfully encourages municipalities to adopt its codes by reference. I readily concede that a copyright can be waived by the author's inaction.[42] Here, however, SBCCI expressly reserved its copyright in the codes. The district court found undisputed the fact that the materials Veeck received from SBCCI "contained the copyright expressions of the Defendant." Having concluded that SBCCI's codes are not in the public domain and that due process does not require suppression of SBCCI's copyright, I am convinced that the organization has done nothing to waive copyright protection expressly.

Copyright also may be waived implicitly by virtue of a particular act, even if waiver was neither explicit nor the intended result.[43] Veeck's argument in this regard is that by encouraging the towns to adopt the codes, SBCCI *impliedly* waived its copyright protection. This presupposes that waiver must be an "all or nothing" proposition, and thus cannot be implicit as to some parties, such as the adopting municipalities, without loosing its effectiveness altogether, even unto strangers like Veeck. Except for his bald assertion, however, Veeck presents no viable support for his waiver proposition. Moreover, when properly analyzed, his argument is nothing more than a thinly disguised reformulation of his due

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[42] *See, e.g., Sherrod* v. *American Airlines*, 132 F.3d 1112, 1119 n.5 (5th Cir. 1998).

[43] *See, e.g., Norma Ribbon & Trimming, Inc.* v. *Little*, 51 F.3d 45, 48 (5th Cir. 1995) ("Therefore, even if it be assumed that the ribbon flowers were copyrightable, the Littles through inadequate notice have made them part of the public domain, and Norma Ribbon was free to copy them.").

process/public domain argument — namely, that the mere fact of adoption automatically and totally vitiated SBCCI's copyright and superceded SBCCI's contractual protection as against all comers.

As fully explicated above, my analysis reaches the conclusion that, as a matter of law, SBCCI's codes are not in the public domain and that they retain their copyright protection against Veeck and others thus situated. I observe that the district court also concluded that the fact that SBCCI had given the North Carolina Building Inspectors Association permission to publish on the Internet that state's building codes, which are modeled on the SBCCI codes, does not constitute universal waiver. As the district court noted, "[c]ountless entities provide free access to materials on the Internet and still retain enforcement of their copyrights."

d. Fair Use

Finally, Veeck argues that his posting of SBCCI's copyrighted material on the Internet constituted a "fair use." Congress has excepted from infringement of copyrighted materials such specified uses as news reporting, teaching, and research.[44] Courts are instructed to consider four factors when deciding whether a particular use of copyrighted material is a "fair use":

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

(2) the nature of the copyrighted work;

(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

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[44] See 17 U.S.C. § 107 (2000).

(4) the effect of the use upon the potential market for or value of the copyrighted work.[45]

When, as with Veeck's infringing activity here, the use of a copyrighted work is noncommercial, the ability to defeat an infringer's affirmative defense of fair use requires "proof either that the particular use is harmful, or that if it should become widespread, it would adversely affect the potential market for the copyrighted work."[46]

The key question under the "purpose and character" prong is whether the alleged infringer's product "merely supersedes the objects of the original creation or instead adds something new with a further purpose or different character, altering the first with new expression, meaning, or message. In other words, it asks whether and to what extent the new work is 'transformative.'"[47] Veeck's posting of the codes on his website was not of a commercial nature or for nonprofit educational purposes. Neither did his actions in this case have any *transformative* effect on the original work.[48] In fact, there

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[45] *Id.*; see also *Campbell* v. *Acuff-Rose Music, Inc.*, 510 U.S. 569, 577, 114 S. Ct. 1164, 127 L.Ed.2d 500 (1994).

[46] *Sony Corp.* v. *Universal City Studios*, 464 U.S. 417, 451, 104 S. Ct. 774, 78 L.Ed.2d 574 (1984).

[47] *Campbell* v. *Acuff-Rose Music Inc.*, 510 U.S. at 579 (citations omitted) (internal quotations omitted).

[48] In *Campbell* v. *Acuff-Rose Music*, while evaluating a fair use defense, the Supreme Court discussed the degree to which a parodist's work transforms a copyrighted original. See 510 U.S. at 579, 114 S. Ct. 1164. There, the parodist was the one making the transformation. In contrast, Veeck admits that he did nothing more than copy SBCCI's model codes verbatim; he did not transform them, through parody or otherwise. Therefore, Veeck's argument that the adoption by reference of SBCCI's codes by Anna and Savoy were "transformative" events does not find a home in *Campbell*.

is neither an apparent nor announced purpose behind Veeck's wholesale copying except that he chose to do so and believes, empirically, that he has the unfettered right to do so. He presents no affidavits or other summary judgment evidence to suggest that the townsfolk of Anna and Savoy or contractors, builders, or other interested parties, would not have access to the codes without Veeck's intervention.

The nature of the copyrighted work constitutes the second prong of the fair use analysis. The work at issue is an original technical code produced by a non-profit organization to encourage uniformity, safety, and economy in a technical area for the benefit of an increasingly complex society. Within the four-pronged jurisprudential test for fair use, Veeck's position finds its only viable support in this one factor. Although the code is an original work requiring creativity on the part of SBCCI, it is also an informational and functional work. This fact broadens the scope of the fair use defense.[49] In addition, the copyrighted work in this case is part of the regulatory codes of Anna and Savoy. Although this factor lends a modicum of support to Veeck's position, it (1) must be considered in light of all the other factors, and (2) is not as significant as the others in the fair use determination.[50]

The third fair use factor — amount and substantiality of portion used vis-à- vis copyrighted work as a whole — weighs heavily against Veeck. He published verbatim the entire set of codes obtained from SBCCI. Even though total copying does not automatically defeat a fair use defense, and partial copying

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[49] 4 Nimmer on Copyright s 13.05[A][2][a] (citing *Diamond* v. *Am-Law Corp.*, 745 F.2d 142 (2d Cir. 1984)).

[50] *Id.* (citing *Campbell* v. *Acuff-Rose Music Inc.*, 510 U.S. at 586, 114 S.Ct. 1164; *Robinson* v. *Random House, Inc.*, 877 F. Supp. 830, 841 (S.D.N.Y.1995)).

does not automatically validate it, the general rule is that reproduction of an entire work constitutes an unfair use.[51] Moreover, the codes copied here were not, literally speaking, "the" codes of Anna and Savoy: Even though the towns' ordinances adopted the model codes that Veeck copied, the enacting ordinances also contained modifications and clarifications not found in the verbatim versions of the SBCCI codes posted by Veeck.

Fourth, Veeck's use could have a substantially detrimental effect on the market for the copyrighted work. In considering this factor, we must assess the consequences of wide-spread conduct similar to Veeck's, not just his alone.[52] There is no genuine dispute, based on the summary judgment record, "that *some* meaningful likelihood of future harm exists."[53] Veeck's posting of the codes on the Internet could prove harmful by depressing the price and reducing SBCCI's market, thus depriving it of income used in its socially valuable efforts of confecting, promulgating, and revising model codes. Veeck's non-commercial, free publication of the codes exacerbates the detrimental effect on the potential market: By furnishing the codes entirely free of charge, he could effectively destroy the market rather than simply creating competition and price suppression. When viewed in this light, the free promulgation

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[51] *Infinity Broadcast Corp.* v. *Kirkwood*, 150 F.3d 104, 109 (2d Cir. 1998).

[52] *Campbell* v. *Acuff-Rose Music Inc.*, 510 U.S. at 590, 114 S. Ct. 1164 (consideration of the fourth factor "requires the court to consider not only the extent of the market harm caused by the particular actions of the alleged infringer, but also 'whether unrestricted and wide- spread conduct of the sort engaged in by the defendant ... would result in a substantially adverse impact on the potential market' for the original.") (quoting 4 Nimmer on Copyright s 13.05[A][4]).

[53] *Sony Corp.*, 464 U.S. at 451, 104 S. Ct. 774 (emphasis added).

of a work is seen to be potentially more financially deleterious than is commercial piracy or cut-rate competitive availability. Currently, the sale of the copyrighted codes to builders, contractors, design professionals, and other interested parties (1) accounts for one-third of SBCCI's income, (2) provides incentive for SBCCI to stay in business so that small governmental subdivisions, like the ones at issue in this case, can obtain the benefits of a pre-crafted technical code, (3) fosters uniformity, and (4) provides some measure of independence to SBCCI from its members by holding down the extent of SBCCI's reliance on membership dues and assessments.

The situation presented in this case is not one of mere copying of the codes for personal use, or of Veeck's asking SBCCI for permission to post the codes on the web and having permission denied. As Veeck copied SBCCI's model code verbatim, the fair-use calculus weighs heavily against him. Veeck's total copying and promulgation of SBCCI's model code, and the potentially harmful effect of such copying on the market, render his use *unfair*.

C. SBCCI's Infringement Counterclaim

SBCCI holds valid copyrights in its codes, and Veeck has expressly admitted copying them. In the absence of a viable defense, the district court was correct in holding that SBCCI established copyright infringement. Under these circumstances, I am satisfied that the district court's conclusions and its award of an injunction and the minimum statutory damages on each of the five counts of copyright infringement are free of error.[54]

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[54] At the pertinent time, 17 U.S.C.A. § 504(c)(1) set the range of statutory damages for each act of copyright infringement at no less than $500 or more than $20,000. A 1999 amendment has raised those amounts to $750 and $30,000, respectively. *Id.*; Digital Theft Deterrence and Copyright Damages

Likewise, I find no abuse of discretion in the district court's award of attorneys' fees.[55]

III. CONCLUSION

Two decades ago, in *BOCA*,[56] the First Circuit wrestled with the serious issues raised by what was then only a "possible trend" toward local, state, and federal adoption of model codes.[57] That court wisely left open for future evaluation the modern realities surrounding technical regulatory codes and standards. As the *BOCA* court wrote, groups that develop such works "serve an important public function; arguably they do a better job than could the state alone in seeing that complex yet essential regulations are drafted, kept up to date and made available."[58] In like manner, the two federal circuits that subsequently addressed challenges similar to that considered by the First Circuit in *BOCA* have declined to invalidate copyrights in works incorporated by reference into the law.[59] In the legislative arena, Congress has decreed the policy that federal agencies adopt privately authored technical standards without voiding the protection afforded to the authors by copyright; and the OMB has directed all federal agencies

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Improvement Act of 1999, Pub.L. No. 106-160, s 2(1), 113 Stat. 1774 (1999).

[55] *Hogan Systems, Inc.* v. *Cybresource Int'l, Inc.*, 158 F.3d 319, 325 (5th Cir. 1998) (applying abuse of discretion standard of review to award of attorneys' fees in copyright case). Veeck did not brief the questions of the district court's grant of a permanent injunction or award of damages and attorneys' fees, and therefore waived them.

[56] 628 F.3d 730.

[57] *Id.* at 736.

[58] *Id.*

[59] See *Practice Management*, 121 F.3d 516; *CCC*, 44 F.3d 61.

adopting such standards to respect the copyright protections of the copyright holders — the diametric opposite of causing copyright protection to vanish when the work is adopted as law.

I emphasize that my analysis is restricted to the narrow set of facts and circumstances before us. At bottom, I think it improvident for this court to legislate judicially an absolute, *per se* rule that referential enactment of a copyrighted work like a technical code into law mystically metamorphoses it into an "idea," puts it into the public domain, waives its copyright protection universally, and otherwise strips it of copyright protection *vel non*. Under the instant circumstances, no one is being denied reasonable access to the SBCCI codes that have been adopted *in globo* by local governments; neither does Veeck's specific actions, however altruistic they might have been, make a viable case for fair use. Nevertheless, I readily concede, that even slightly different facts under but slightly different circumstances could convince me to support a different result, albeit not a *per se* rule.

Today, the trend toward adoption of privately promulgated codes is widespread and growing, and the social benefit from this trend cannot be seriously questioned. The necessary balancing of the countervailing policy concerns presented by this case should have led us to hold that, *on these facts*, the copyright protection of SBCCI's privately authored model codes did not simply evanesce *ipso facto*, when the codes were adopted by local governments; rather, they remain enforceable, even as to non-commercial copying, as long as the citizenry has reasonable access to such publications cum law — and subject, of course, to exceptions for implied or express waiver or consent, fair use, or other recognized exceptions, when applicable. For these reasons, I cannot join in the majority's inflexible reasoning and unnecessarily overbroad holding. I therefore respectfully dissent.

APPENDIX B
PANEL OPINION

United States Court of Appeals,
Fifth Circuit.

Peter VEECK, d/b/a RegionalWeb,
Plaintiff-Counter Defendant-Appellant,

v.

SOUTHERN BUILDING CODE
CONGRESS INTERNATIONAL ~~INC.~~,
Defendant-Counter Claimant-Appellee.

No. 99-40632.
Feb. 2, 2001.

Appeals from the United States District Court for the Eastern District of Texas.

Before WIENER and STEWART, Circuit Judges, and LITTLE, District Judge.*

WIENER, Circuit Judge:

Plaintiff-Appellant Peter Veeck ("Veeck") appeals from a summary judgment of the district court holding that he infringed the copyright of Defendant-Appellee Southern Building Code Congress International ("SBCCI") when he posted SBCCI's copyrighted model codes on the Internet without SBCCI's permission. Agreeing with the district court, we affirm.

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* Chief Judge F.A. Little, Jr. of the Western District of Louisiana, sitting by designation.

I.

FACTS AND PROCEEDINGS

SBCCI is a nonprofit organization that develops, promotes, and promulgates model building codes, such as the Standard Plumbing Code, the Standard Gas Code, the Standard Fire Prevention Code, and the Standard Mechanical Code. SBCCI encourages local governments to enact its codes into law by reference, without cost to the governmental entity. In each of its codes, SBCCI asserts a copyright under which it claims the exclusive right to publish these codes or license their reproduction and publication. Once a governmental unit enacts such a code into law, copies are to be made available for inspection by the public in the enacting government's offices. Members of the public may make or obtain copies of portions of the SBCCI codes from city offices or local libraries or may purchase copies of the codes directly from SBCCI and from some bookstores as well. Although SBCCI is a nonprofit organization, it uses revenue from sales of its model codes to fund its continuing activities. Non- members are charged more for copies of SBCCI's model codes than are members of the organization. For example, members are charged $48 for a copy of SBCCI's 1994 standard building code, for which nonmembers are charged $72.

Veeck operates a nonprofit web site, known as RegionalWeb, which provides information about North Texas, including texts of local building codes. Several towns in North Texas have adopted SBCCI's codes, including the towns of Anna and Savoy. Veeck attempted to obtain a copy of the building codes of his hometown of Denison, Texas, after learning that Denison had adopted SBCCI's model code as its own. Failing to locate Denison's building code at local bookstores or libraries, Veeck ordered from SBCCI copies of its

codes in electronic format.[1] According to Veeck, he later visited approximately twenty towns in North Texas, including Anna and Savoy, in an effort to obtain copies of their local building codes, not all of which had been produced by SBCCI. Veeck was not able to buy complete copies at any of the cities he visited.[2] He apparently never attempted to view or copy the SBCCI codes in any city clerk's or other municipal office.

The package containing the computer disks that SBCCI sent to Veeck included a software license agreement and copyright notice. In disregard of these data, Veeck installed the codes on his personal computer and, by "cutting and pasting," was able to put the entire codes on his web site. Veeck's web site did not specify that the codes were written by SBCCI, instead simply identifying them as the building codes of Anna and Savoy, Texas.

When it learned that Veeck had posted copies of its codes on his web site, SBCCI sent him a cease and desist order, accusing him of infringing its copyrights. Veeck responded by filing this declaratory judgment action in an effort to have the district court rule that he did not violate the Copyright Act. SBCCI counterclaimed, asserting five counts of copyright infringement, as well as unfair competition and breach of

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[1] The record is not completely clear, but it appears that Veeck did not attempt to view or copy the codes in the Denison city clerk's office. When Veeck received the 1994 codes from SBCCI, he realized that Denison had adopted the 1988 version of the building codes. He posted the 1994 codes on his Internet site despite the fact that they were not the exact version adopted by Denison.

[2] Some of the cities apparently did not have the correct version of their building code available at alternative locations. For instance, Sherman, Texas, had adopted the 1997 version of the building code, but the local library had only the 1994 version on hand.

contract. Both parties moved for summary judgment on the copyright infringement issue.

In the absence of genuinely disputed material facts, the district court granted summary judgment in favor of SBCCI, holding that it held valid, enforceable copyrights and rejecting Veeck's defenses of fair use, copyright misuse, waiver, merger, and due process. The district court found five separate instances of copyright infringement — one for each separate model code that Veeck published on his web site — and granted a permanent injunction and monetary damages to SBCCI. Veeck appealed.[3]

II.

ANALYSIS

A. Standard of Review

This case is on appeal from a grant of summary judgment, dismissing Veeck's declaratory judgment action and granting SBCCI's requested copyright infringement relief. We therefore review the record *de novo,* applying the same standard as the district court.[4] A motion for summary judgment is properly granted only if there is no genuine issue as to any material fact.[5]

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[3] Appellate amicus briefs were filed in support of SBCCI by the American Medical Association, American National Standards Institute, American Society of Association Executives, American Society of Heating, Refrigerating and Air Conditioning Engineers, National Fire Protection Association, Texas Municipal League, and Underwriters Laboratories, Inc. Briefs in support of Veeck were filed by Professor Malla Pollack and the Association of American Physicians & Surgeons.

[4] *Morris* v. *Covan World Wide Moving, Inc.,* 144 F.3d 377, 380 (5th Cir.1998).

[5] Fed.R.Civ.P. 56(c); *Celotex Corp. v. Catrett,* 477 U.S. 317, 322, 106 S. Ct. 2548, 91 L.Ed.2d 265 (1986).

A fact issue is material if its resolution could affect the outcome of the action.[6] A dispute about a material fact is "genuine" if the evidence would permit a reasonable jury to return a verdict for the nonmoving party.[7] In deciding whether such an issue has been created, we must view the facts and the inferences to be drawn from them in the light most favorable to the nonmoving party — here, Veeck.[8]

The standard for summary judgment mirrors that for judgment as a matter of law.[9] Thus, the court must review all of the evidence in the record, but make no credibility determinations or weigh any evidence.[10] In its review, the court must disregard all evidence favorable to the moving party that the jury is not required to believe, and give credence to the evidence favoring the nonmoving party as well as to the evidence supporting the moving party that is uncontradicted and unimpeached.[11]

B. Copyright Infringement

The core purpose of copyright law is "to secure a fair return for an author's creative labor" and thereby "to stimulate artistic creativity for the general public good."[12] To establish copyright

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[6] *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986).

[7] *Id.*

[8] *Olabisiomotosho v. City of Houston*, 185 F.3d 521, 525 (5th Cir.1999).

[9] *Celotex*, 477 U.S. at 323, 106 S.Ct. 2548.

[10] *Reeves v. Sanderson Plumbing Products, Inc.*, 530 U.S. 133, 120 S.Ct. 2097, 2102, 147 L.Ed.2d 105 (2000).

[11] *Id.* at 2110.

[12] *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156, 95 S.Ct. 2040, 45 L.Ed.2d 84 (1975) (internal quotations omitted).

infringement, the plaintiff must prove a valid copyright and copying by the defendant of constituent elements of the work that are original.[13] Here, there is no question that SBCCI holds valid copyrights to the building codes and that Veeck copied the codes by placing them on the Internet. Veeck seeks to circumvent SBCCI's copyright protection, however, under various doctrines that serve as defenses to copyright infringement or otherwise limit copyright holders' exclusive use of their creations.

Veeck contends that once SBCCI's model codes are enacted into public law they lose their copyright protection under principles of due process, freedom of speech, and the affirmative defenses of merger, misuse, waiver, and fair use that are peculiar to copyright law. The instant case is one of first impression in this circuit, but three other circuit courts have examined the issue of enforcement of copyrights in the context of privately developed codes or compilations that had been enacted, in some form, into public law.[14] Although the First

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[13] *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361, 111 S.Ct. 1282, 113 L.Ed.2d 358 (1991); *see also Lakedreams v. Taylor*, 932 F.2d 1103, 1107-08 (5th Cir.1991).

[14] *See Practice Mgt. Info. Corp. v. American Med. Ass'n* ("*Practice Management* "), 121 F.3d 516 (9th Cir.1997), *cert. denied*, 522 U.S. 933, 118 S.Ct. 339, 139 L.Ed.2d 263 (1997), *opinion amended by* 133 F.3d 1140 (9th Cir.1998) (finding that the American Medical Association did not lose the right to enforce its copyright when use of its promulgated coding system was required by government regulations); *CCC Info. Servs. v. Maclean Hunter Mkt. Reports, Inc.* ("*CCC* "), 44 F.3d 61 (2d Cir.1994), *cert. denied*, 516 U.S. 817, 116 S.Ct. 72, 133 L.Ed.2d 32 (1995) (upholding copyright of privately prepared listing of automobile values that states required insurance companies to use); *Building Officials and Code Adm. v. Code Tech., Inc.* ("*BOCA* "), 628 F.2d 730, 736 (1st Cir.1980) (declining to invalidate copyright of building code created by nonprofit group and adopted by the state, but simultaneously expressing doubt over the enforceability of the copyright given that the state had adopted the code); *see also* 1 Melville B.

Circuit expressed serious doubt that a privately authored building code adopted by the state of Massachusetts could be distinguished from uncopyrightable statutes and judicial opinions,[15] neither that court nor the other two circuit courts that have subsequently addressed the issue have held that codes lose their copyright protection when used or adopted by a state or local government. We decline to create a circuit split by reaching the opposite conclusion today.[16]

C. Defenses

1. Due Process/Public Domain

According to Veeck, the public's due process interest in free access to the building codes extinguishes SBCCI's copyright because the codes enter the public domain when they are enacted into law. At the outset, we note that although Veeck struggles mightily to raise a fact issue as to whether he was denied access to the codes, we agree with the district court that there is no probative evidence that the codes are not publicly available in North Texas towns. Leaving aside the issues of the codes' availability in bookstores, public libraries, and directly from SBCCI, we shall assume that due process requires at a minimum that the codes should be available for inspection and copying at the city offices in towns where they have been adopted by reference. Veeck has fallen short in his

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Nimmer & David Nimmer, Nimmer on Copyright § 5.06[C], at 5-91 (2000) ("It is questionable whether [the due process clause] justifies the denial of copyright to a private person or group who produces such a model code.").

[15] *See BOCA*, 628 F.2d at 735-36.

[16] *See supra* note 13; *see also* David S. Levitt, *Copyright Protection for United States Government Computer Programs*, 40 IDEA 225, 238 (2000) (citing cases "support[ing] the proposition that privately developed and properly copyrighted material should remain copyrighted material unless the material falls into the strict definition of statute or judicial opinion").

efforts to raise a genuine fact issue regarding such availability of the codes in Anna and Savoy.[17]

Inasmuch as there are no facts showing that Veeck was actually prevented or substantially hindered from viewing the public law, Veeck's claim poses the legal question whether a private entity that develops a code may maintain copyright in it once that code is adopted in globo as law. Not all reproductions of copyrighted work are "within the exclusive domain of the copyright owner; some are in the public domain."[18] Due process requires that the public have notice of what the law is so that the people may comply with its mandates.[19] Thus the

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[17] Had Veeck shown denial of access, we almost certainly would find that a material fact issue precluded summary judgment. The record shows, however, that Veeck has not raised a genuine question as to whether he or anyone else was denied access to the codes at any such city office. His unavailability claims center on Anna and Savoy, Texas, two extremely small communities with fewer than 1,000 residents apiece. When Veeck visited Savoy's city hall, he was told that the building codes were at the public works department, information he did not pursue. In Anna, after finding the city clerk twice absent, he made no further effort to view the codes. In his own affidavit, Veeck indicates that the codes may be publicly available in both towns, stating that "the codes are only available at the Anna and Savoy city halls during those times when city officials are available." Veeck simply has not succeeded at raising any genuine due process issue other than the fact that a tiny community occasionally may be forced by staff absence to close the doors to its city hall — hardly a constitutional violation.

Furthermore, had Veeck in fact been unable to obtain a copy of the enacted building codes because of SBCCI's copyright, we would likely conclude that due process provides grounds to invalidate such copyright. *See Practice Management,* 121 F.3d at 519. Given that Veeck was not precluded from viewing copies of the enacted codes, however, further legal analysis is needed.

[18] *Sony Corp. v. Universal City Studios, Inc.,* 464 U.S. 417, 433, 104 S.Ct. 774, 78 L.Ed.2d 574 (1984).

[19] *See BOCA,* 628 F.2d at 734.

question is whether, once adopted into law, SBCCI's codes fall outside its exclusive domain and into the public domain by virtue of the requirements of due process.[20]

The First Circuit aptly described the quandary that we face today when it explained that even though the law is well established that "judicial opinions and statutes are in the public domain and are not subject to copyright," the question remains "whether this principle likewise covers state-promulgated administrative regulations which are modelled on a privately developed code that was copyrighted by the service-oriented organization responsible for its creation and updating."[21] In other words,

> The rule denying copyright to judicial opinions and legislative enactments was completely settled by the end of the nineteenth century. With the emergence of the regulatory state in the twentieth century, and the proliferation of administrative regulations, two new questions arose for copyright policy: Should copyright attach to texts that, though prepared privately, have received the imprimatur of official action? Should copyright attach to regulatory codes that, although drafted by private industry groups, have subsequently been enacted into law?[22]

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[20] The parties do not question the notion that the codes would not be copyrightable if they had been developed by *public officials*. *See, e.g., Banks v. Manchester,* 128 U.S. 244, 253, 9 S.Ct. 36, 32 L.Ed. 425 (1888) (holding judicial opinions uncopyrightable because they are created by judges paid from the public's coffers); *Wheaton v. Peters,* 33 U.S. (8 Pet.) 591, 668, 8 L.Ed. 1055 (1834) (same).

[21] *BOCA,* 628 F.2d at 734 (footnote omitted).

[22] 1 Paul Goldstein, *Copyright* § 2.5.2 (2d ed. 1996 & Supp.1999), at 2:47.

The second question is the one we must answer today.

More than 100 years ago, in *Banks v. Manchester,*[23] the Supreme Court held that a private reporter of the state's judicial opinions who desired to protect his compilation could not assert copyright for that purpose. The court rested this determination on two grounds. First, judicial opinions are not subject to copyright because they are publicly owned by virtue of the fact that the judges who render them are paid with public funds.[24] Second, as a matter of public policy, judge's opinions are not subject to copyright because the public interest is served by free access to the law.[25]

The Court's first ground is not applicable here: Unlike *Banks,* in this case SBCCI is asserting a viable proprietary interest because it created the model codes using its own, private resources. Nonetheless, the public policy concern announced in *Banks* remains vexatious. There, the Court declined to enforce the state reporter's copyright in judicial opinions because "[t]he whole work done by the judges constitutes the authentic exposition and interpretation of the law, which, binding every citizen, is free for publication to all...."[26] This point would seem to apply equally to any statute, ordinance, or regulation that has the force of law irrespective of

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[23] 128 U.S. 244, 9 S.Ct. 36, 32 L.Ed. 425 (1888).

[24] *See id.* at 253, 9 S.Ct. 36.

[25] *See id.; see also Practice Management,* 121 F.3d at 518 (interpreting *Banks*).

[26] *Banks,* 128 U.S. at 253, 9 S.Ct. 36; *see also BOCA,* 628 F.2d at 734-35 (expressing doubt that a private entity that developed a building code was entitled to enforce copyright after the code was enacted into public law on the bases that (1) the public owns the law and pays the salary of those who draft legislation, and (2) the "right of the public to know the law to which it is subject").

authorship. But extrapolating broad generalities from such a narrow holding is risky.

The Second Circuit addressed this public policy argument in *CCC Information Services, Inc. v. Maclean Hunter Market Reports, Inc.*[27] That case involved a copyright infringement counterclaim brought by Maclean, the publisher of the "Red Book" projections of used car valuations, against CCC, a competitor that copied Maclean's valuations into a computer database for sale to customers. CCC's database also contained the average of each vehicle's valuations in (1) the Red Book and (2) the NADA Official Used Car Guide (known as the "Bluebook"), the other leading used car valuation book. A separate market exists for the Red Book/Bluebook average "because the laws of certain states use that average figure as a minimum for insurance payments upon the 'total loss' of a vehicle."[28] The trial court granted summary judgment for CCC based in part on the legal conclusion that the Red Book fell into the public domain when it was incorporated into governmental regulations.[29]

The Second Circuit reversed and granted summary judgment for Maclean. The appellate court found it necessary to "balance the conflicts and contradictions that pervade the law of copyright, and the need, where elements of the copyright law conflict, to determine, *as a policy judgment,* which of its commands prevails over the other."[30] In the instant case, as in *CCC,* a policy judgment is indispensable to our balancing of the public interests in, on the one hand, encouraging innovation

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27 44 F.3d 61 (2d Cir.1994).

28 *Id.* at 64.

29 *Id.*

30 *Id.* at 68 (emphasis added).

through copyright and, on the other hand, ensuring free access to the law.

We do not dismiss lightly the policy considerations supporting Veeck's position; yet, limited to the narrow set of facts before us, we perceive the scale of countervailing policy considerations to be tipped in favor of enforcing SBCCI's copyright.[31] We reiterate for emphasis that no court has held to the contrary.[32] We are further comforted in reaching this balancing result by the agreement of the leading treatise on the subject that to strip a copyright owner of his rights when his work is adopted by a state legislature would "prove destructive of the copyright interest in encouraging creativity in connection with the increasing trend toward state and federal adoptions of model codes."[33]

The Second Circuit analogized the claims it rejected in *CCC* to a hypothetical holding that schoolbooks lose their copyright once assigned in compliance with a school curriculum mandated by law.[34] We believe that if code writing groups like SBCCI lose their incentives to craft and update model codes and thus cease to publish, the foreseeable outcome is that state

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[31] *See id.* at 74 ("We are not prepared to hold that a state's reference to a copyrighted work as a legal standard for valuation results in loss of the copyright.").

[32] The First Circuit noted in *BOCA* that it was "far from persuaded that [plaintiff's] virtual authorship of the Massachusetts building code entitles it to enforce a copyright monopoly over when, where, and how the Massachusetts building code is to be reproduced and made publicly available," but declined to rule on the ultimate merit of the case. *BOCA*, 628 F.2d at 735.

[33] 1 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright*, § 5.06[C], at 5-92 (2000).

[34] *CCC*, 44 F.3d at 74.

and local governments would have to fill the void directly, resulting in increased governmental costs[35] as well as loss of the consistency and quality to which standard codes aspire. A second glance at the names of the amici supporting SBCCI's position in this case[36] provides an idea of the potential sweep of a contrary holding that the authors of model codes could not enforce copyrights in their works once the ultimate reason for their very creation is realized. As amici state in their brief supporting SBCCI, "these codes and standards are widely used and adopted by local and state government and federal authorities throughout the United States who do not otherwise have the necessary facilities and resources to develop these safety standards independently."

Each of the three states comprising this circuit has statutes that refer to standards promulgated by SBCCI.[37] Examples of other private codes referenced in the statutes of Texas, Louisiana, and Mississippi are: (1) manufactured home standards adopted and published by the American National

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[35] *See* 63 Fed.Reg. 8545, 8554-55 (Feb. 19, 1998) (Office of Management and Budget Notice of Final Revision of Circular A-119) (directing federal agencies to adopt privately developed standards "whenever practicable and appropriate" to "eliminate[ ] the cost to the Government of developing its own standards"); National Technology Transfer and Advancement Act of 1995, Pub.L. No. 104-113, § 12(d), 110 Stat. 775, 783 (1996).

[36] American Medical Association; American National Standards Institute; American Society of Association Executives; American Society of Heating, Refrigerating and Air-Conditioning Engineers; American Society of Mechanical Engineers; National Fire Protection Association, Inc.; Texas Municipal League; and Underwriters Laboratories Inc.

[37] *See, e.g.,* Tex. Loc. Gov't § 235.002(c)(1) (Vernon 1999) (fire code); La.Rev.Stat. Ann. § 40:1722(B)(3) (West 2000) (building code); Miss.Code. Ann. § 45-11-73 (2000) (building code).

Standards Institute;[38] (2) the Uniform Plumbing Code and the National Standard Plumbing Code;[39] and (3) the codes of the National Board of Fire Underwriters, the National Fire Protection Association, and the American Society for Mechanical Engineers.[40] As the Ninth Circuit recently wrote when it declined to find that the American Medical Association's copyright of its medical procedure code ("the CPT") became unenforceable after a federal agency adopted it for use on Medicaid claim forms,

> invalidating [the AMA's] copyright on the ground that the CPT entered the public domain when [the Health Care Financing Administration] required its use would expose copyrights on a wide range of privately authored model codes, standards, and reference works to invalidation. Nonprofit organizations that develop these model codes and standards warn they will be unable to continue to do so if the codes and standards enter the public domain when adopted by a public agency.[41]

In *State of Texas v. West Pub. Co.*,[42] we could discern no due process violation in the absence of evidence that anyone was actually being denied access to the law. In the instant case, the district court likewise was presented with no evidence that Veeck or others had been denied access *vel non* to the codes in question; thus, there was no genuine issue of material fact on Veeck's due process claim. Neither does this case involve a citizen barred from photocopying applicable portions of

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38 La. Rev. Stat. Ann. § 51:911.23 (West 2000).

39 Tex. Rev. Civ. Stat. Ann. art. 6243-101, § 3 (Vernon 2000).

40 Tex. Nat. Res. Code Ann. § 113.052 (Vernon 2000).

41 *Practice Management,* 121 F.3d at 519 (footnotes omitted).

42 882 F.2d 171, 177 (5th Cir.1989).

municipal codes; on the contrary, Veeck ordered the SBCCI standardized codes directly from SBCCI and published those expressly copyrighted works on the Internet. Because under these facts we conclude as a matter of law that the codes here at issue had not entered the public domain, Veeck's act of copying infringed SBCCI's copyrights, and no due process or other policy concern excuses that infringement.

2. Merger

In his merger argument, Veeck contends that SBCCI's building codes, once enacted by reference into law, became a *fact* which can be *expressed* in only one way.[43] He argues, unsupported by precedent, that the adoption of SBCCI's code into law was a transformative event that instantly denuded the work of copyright protection. In other words, according to Veeck, there can be only one expression of the law: Once adopted by the government, the model code merged into the body of the law. Therefore, concludes Veeck, there was no other correct way to express the building code law of, for example, Anna, Texas.

In this circuit, the merger doctrine has been applied to the question whether a work was copyrightable at the time of its creation, preventing a copyright from attaching in the first place, rather than as an infringement defense focusing on merger at the time of copying.[44] When we examine SBCCI's

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[43] The merger doctrine is based on 17 U.S.C.A. § 102(b), which states: "In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work."

[44] *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 138 n.5 (5th Cir.1992) (citing *Kern River Gas Transmission Co. v. Coastal Corp.*, 899 F.2d 1458, 1460 (5th Cir.1990)).

works *at the times of their creation* and ask whether at that instant they merged with the idea of "building codes," we conclude that the *expression* does not merge instantly with the *idea* because — contrary to Veeck's insistence — there remain many ways to write model building codes, not just one.[45] As amici note, there are at least two other sets of building codes that currently compete with SBCCI's, namely, the National Codes published by Building Officials and Code Administrators International, and the Uniform Codes published by the International Conference of Building Officials. As the Ninth Circuit held in rejecting a similar merger argument in *Practice Management,* the existence of SBCCI's copyright does not stifle independent creative expression by those who would seek to develop "comparative or better coding systems and lobby[ ] government[s] and private actors to adopt them. It simply prevents wholesale copying of an existing system."[46] Neither does the existence of SBCCI's copyrights prevent local governments from adopting codes that do not share SBCCI's unique expressive character or even the same requirements as those contained in its codes,[47] from adopting only parts of the model codes, or from changing them by ordinance.

Public policy also convinces us that application of the merger doctrine should be withheld here. The purpose behind the concept of the merger of *expression* with *idea* is to ensure that copyright protection not extend to ideas. The doctrine applies only when there are few or no other ways of expressing

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[45] *See, e.g., American Dental Ass'n v. Delta Dental Plans Ass'n,* 126 F.3d 977, 979 (7th Cir.1997) (holding that dental association's taxonomy was original work of authorship entitled to copyright protection and stating that "[t]he Code's descriptions don't 'merge with the facts' any more than a scientific description of butterfly attributes is part of a butterfly").

[46] *Practice Management,* 121 F.3d at 520 n.8.

[47] *See American Dental Association,* 126 F.3d at 979-80.

a particular idea.[48] SBCCI's building codes are infused with the opinions of their authors, from the requirements chosen in the codes to their arrangement, level of detail, and grammatical style. We have addressed the policy concerns raised by this case in determining that the building codes do not fall into the public domain once enacted into law. The policy imbedded in the merger doctrine is limited to the separability of idea and expression and is not appropriately applied here.[49] Balancing copyright's competing goals and keeping firmly in mind the language of the Copyright Act, we conclude that merger is not a valid defense for Veeck.

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[48] *Kepner-Tregoe, Inc. v. Leadership Software, Inc.*, 12 F.3d 527, 533 (5th Cir.1994) (explaining that "when an idea can be expressed in very few ways, copyright law does not protect that expression, because doing so would confer a de facto monopoly over the idea. In such cases idea and expression are said to be merged.").

[49] The global enactment of a code does make that code the law of the enacting municipality and hence, in one sense, a "fact." In the real world, however, as in this case, acknowledging this does not change our analytical approach. Individuals such as contractors who need to use building codes can — and do — quote applicable provisions or incorporate them by reference as needed, for instance, in preparing bids or setting project specifications. That type of use is not before us and cannot be equated to the facts here, involving the gratuitous publication of an entire code. The doctrine of the merger of expression and fact should not be applied to defeat SBCCI's copyright in this case.

3. *Additional Defenses*

a. Free Speech

Veeck raises four additional defenses on appeal.[50] As we turn to the first of these — his First Amendment defense — we emphasize that none contends that SBCCI attempted to use its copyright to block the public's access to the municipal codes of Anna and Savoy, Texas. In *Schnapper v. Foley,* the District of Columbia Circuit held that the First Amendment does not require the voiding of a copyright, even in a government-commissioned work, absent evidence that access to the work had been denied.[51]

Veeck's Free Speech defense is further weakened by the fact that he did not first obtain copies of the codes of these two cities and then publish them on the Internet. Instead, Veeck purchased directly from SBCCI a copy of its 1994 Standard Codes, which arrived bearing a copyright notice and a license agreement. He nevertheless copied that set onto his computer and he posted it on the web, identifying it as containing the municipal codes of the two towns. These two possible courses of action are inherently different: The former is more akin to a citizen's fair use of his local building code;[52] the latter comprehends a purchaser who assumes the risk of actively disregarding the intellectual property rights held and announced by the supplier of a commercial product.

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[50] Another defense, implied license, was raised by amicus curiae Association of American Physicians & Surgeons, Inc., but was not addressed by either party in the district court or on appeal. Hence, we do not address it. *See Christopher M. v. Corpus Christi Indep. Sch. Dist.*, 933 F.2d 1285, 1292 (5th Cir.1991).

[51] 667 F.2d 102, 115-16 (D.C. Cir.1981).

[52] Veeck's fair use defense is discussed further *infra.*

In enforcing its copyright in its model codes, SBCCI is not stifling access to or speech about the law. The First Amendment is not violated here.

b. Misuse

The equity-based defense of copyright misuse, which prevents a culpable plaintiff from prevailing in an action for the infringement of a misused copyright, "'forbids the use of the copyright to secure an exclusive right or limited monopoly not granted by the Copyright Office and which is contrary to public policy to grant.'"[53] In *Practice Management,* the Ninth Circuit found that the American Medical Association misused its copyright by licensing its coding system to the Health Care Financing Administration on the condition that the agency not use any competing system.[54] Veeck, in contrast, has raised no genuine issue of material fact regarding SBCCI's purported misuse of its copyright. The summary judgment record is devoid of evidence that the organization mandates the exclusive use of its codes or any of its other services when a governmental subdivision adopts one of the codes. There is thus no evidence of misuse that would prevent enforcement of SBCCI's copyright.

c. Waiver

Neither can Veeck prevail on his assertion that SBCCI expressly or impliedly waived its right to copyright protection by encouraging municipalities to adopt its codes by reference.

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[53] *DSC Communications Corp. v. DGI Techs., Inc.*, 81 F.3d 597, 601 (5th Cir.1996) (quoting *Lasercomb Am., Inc. v. Reynolds*, 911 F.2d 970, 977 (4th Cir.1990)).

[54] *Practice Management*, 121 F.3d at 520.

A right such as copyright may be waived by inaction.[55] Copyright also may be waived as the result of a particular act, even if waiver was not the intended result. [56] Having concluded that SBCCI's codes are not in the public domain and that due process does not require suppression of SBCCI's copyright, we also conclude that the organization has done nothing to waive copyright protection.

SBCCI expressly reserved its copyright in the codes. The district court found undisputed the fact that the materials Veeck received from SBCCI "contained the copyright expressions of the Defendant." The district court also concluded that the fact that SBCCI had given North Carolina Building Inspectors Association permission to publish on the Internet that state's building codes, which are modeled on the SBCCI codes, does not amount to waiver. As the district court noted, "[c]ountless entities provide free access to materials on the Internet and still retain enforcement of their copyrights." SBCCI has not waived its copyright in its model codes.

d. Fair Use

Finally, Veeck argues that his posting of SBCCI's copyrighted material on the Internet constituted a "fair use." Congress has excepted from infringement of copyrighted materials such specified uses as news reporting, teaching, and research.[57] Inferior courts are instructed by the Supreme Court

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[55] *See, e.g., Sherrod v. American Airlines,* 132 F.3d 1112, 1119 n.5 (5th Cir.1998).

[56] *See, e.g., Norma Ribbon & Trimming, Inc. v. Little,* 51 F.3d 45, 48 (5th Cir.1995) ("Therefore, even if it be assumed that the ribbon flowers were copyrightable, the Littles through inadequate notice have made them part of the public domain, and Norma Ribbon was free to copy them.").

[57] *See* 17 U.S.C. § 107 (2000).

to consider four factors in deciding whether a particular use of copyrighted material is a "fair use":

> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for or value of the copyrighted work.[58]

When, as with Veeck's activity here, the use of a copyrighted work is noncommercial, defeating a fair use defense requires "proof either that the particular use is harmful, or that if it should become widespread, it would adversely affect the potential market for the copyrighted work."[59]

Even though the use to which Veeck put SBCCI's works is not harmful per se, it could severely undermine the market for those works if such use were to become widespread. Here, there is no genuine dispute, based on the summary judgment record, "that *some* meaningful likelihood of future harm exists."[60] This is not an instance of mere copying of the codes for personal use, or of Veeck's asking SBCCI for permission to post the codes on the web and being denied. Veeck's posting of the codes on the Internet could prove harmful by reducing SBCCI's market and depriving it of income used in its socially

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[58] *Id.; see also Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577, 114 S.Ct. 1164, 127 L.Ed.2d 500 (1994).

[59] *Sony Corp. v. Universal City Studios*, 464 U.S. 417, 451, 104 S.Ct. 774, 78 L.Ed.2d 574 (1984).

[60] *Id.*

valuable effort of confecting, promulgating, and revising model codes. Having evaluated Veeck's copying under the four statutory factors, the potential harm prevents him from prevailing on a fair use defense.[61]

D. SBCCI's Infringement Counterclaim

SBCCI holds valid copyrights in its codes, and Veeck has expressly admitted copying them. In the absence of a viable defense, the district court was correct in holding that SBCCI established copyright infringement. Under these circumstances, we are convinced that the district court's conclusions and its award of the minimum statutory damages on each of the five counts of copyright infringement are free of error.[62] Likewise, we find no abuse of discretion in the district court's award of attorneys' fees.[63]

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[61] In *Campbell v. Acuff-Rose Music,* while evaluating a fair use defense, the Supreme Court discussed the degree to which a parodist's work transforms a copyrighted original. *See* 510 U.S. at 579, 114 S.Ct. 1164. There, the parodist was the one making the transformation. In contrast, Veeck admits that he did nothing more than copy SBCCI's model codes verbatim; he did not transform them, through parody or otherwise. Therefore, Veeck's argument that the adoption by reference of SBCCI's codes by Anna and Savoy were "transformative" events does not find a home in *Campbell.*

[62] At the pertinent time, 17 U.S.C.A. § 504(c)(1) set the range of statutory damages for each act of copyright infringement at no less than $500 or more than $20,000. A 1999 amendment has raised those amounts to $750 and $30,000, respectively. *Id.*; Digital Theft Deterrence and Copyright Damages Improvement Act of 1999, Pub.L. No. 106-160, § 2(1), 113 Stat. 1774 (1999).

[63] *Hogan Systems, Inc. v. Cybresource Int'l, Inc.,* 158 F.3d 319, 325 (5th Cir.1998) (applying abuse of discretion standard of review to award of attorneys' fees in copyright case). Veeck did not brief the questions of the district court's grant of a permanent injunction or award of damages and attorneys' fees, and therefore waived them.

III.

CONCLUSION

Two decades ago, in *BOCA*,[64] the First Circuit wrestled with the serious issues raised by what was then only a "possible trend" toward state and federal adoption of model codes.[65] That court wisely left open for evaluation the modern realities surrounding technical regulatory codes. As the court wrote, groups that develop such model codes "serve an important public function; arguably they do a better job than could the state alone in seeing that complex yet essential regulations are drafted, kept up to date and made available."[66] The two circuit courts that subsequently addressed challenges similar to that considered by the First in *BOCA* also have declined to invalidate copyrights in works referenced under the law.[67]

In joining three of our sister circuits today, we emphasize that our holding is restricted to the narrow set of facts and circumstances before us. Under these, no one is being denied reasonable access to the SBCCI codes that have been adopted *in globo* by local governments; neither did Veeck's specific actions make a sufficiently strong case for fair use. Even slightly different facts under different circumstances might produce a different result.

Today, the trend toward adoption of privately promulgated codes is widespread, and the social benefit from it is great. Our balancing of the countervailing policy concerns presented in this case ultimately leads us to conclude on these facts that

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[64] 628 F.2d 730.

[65] *Id.* at 736.

[66] *Id.*

[67] *See Practice Management,* 121 F.3d 516; *CCC,* 44 F.3d 61.

copyright protection of privately authored model codes does not simply evanesce *ipso facto* when the codes are adopted by local governments; rather, they remain enforceable, even as to non-commercial copying, as long as the citizenry has reasonable access to such publications cum law. For these reasons, the judgment of the district court is, in all respects,

AFFIRMED.

LITTLE, District Judge, dissenting:

Today the majority concludes that the presumed benefits generated through the creation of "model codes" require that it strike the balance in favor of permitting the model code creator to continue to enforce its copyright, even after such a code has been adopted into law. In my view, once a "model code" is adopted into law by the government, a private entity, such as SBCCI, may no longer obstruct publication and transmission of the law by an uncompensated transferor. Adoption of the model code as law serves to place the law in the public domain and it should, therefore, be readily available for access by all citizens. The access should not be limited to a non-public commercial establishment. Similarly, upon enactment, the law transforms into an "idea" that is no longer distinguishable from its expression, causing SBCCI's codes to lose their copyright protection. It is my belief that reversal of the district court judgment is appropriate. I respectfully dissent from the decision of the majority.

A. Due Process/Public Domain Basis

The majority places great emphasis on the district court's conclusion that no probative evidence exists demonstrating that the codes are not publicly available in North Texas towns. This conclusion, even if factually accurate, is not determinative. The question, in my estimation, is not whether Veeck, or any other

citizen, actually was prevented from viewing the public law, but whether a private entity that develops a code may maintain private control of that law through a copyright.

As the majority correctly observes, not all reproductions of copyrighted work are "within the exclusive domain of the copyright owner; some are in the public domain." *Sony Corp. v. Universal City Studios, Inc.*, 464 U.S. 417, 433, 104 S.Ct. 774, 784, 78 L.Ed.2d 574 (1984). It is well settled that judicial opinions and statutes are in the public domain and are not subject to copyright. As the Supreme Court enunciated in *Banks*, there exist two independent rationales for holding judicial opinions and statutes (and in my opinion, regulations), outside the realm of copyright. While I agree with the majority as to the inapplicability of the first, the "public funds rationale," I strenuously disagree with the majority's disregard of the second, the "public policy/due process" rationale. I also am unable to adopt a meaningful distinction between judicial opinions and statutes, and the regulations that have been promulgated and adopted into law as binding on the citizens of a given community. Today's holding creates a distinction that cannot be sustained.

In *Banks*, the Supreme Court declined to enforce the state reporter's copyright of judicial opinions because "[t]he whole work done by judges constitutes the authentic exposition and interpretation of the law, which, binding every citizen, is free for publication to all." *Banks*, 128 U.S. at 253, 9 S.Ct. at 40; *see also BOCA*, 628 F.2d at 734-35 (expressing doubt that a private entity that developed a building code was entitled to enforce copyright after the code was enacted into public law on the basis that the public owns the law because it pays the salary of those who draft legislation and the public has the "right to know the law to which it is subject"). Here, SBCCI seeks to prevent an individual from posting, on an internet web site, a

copy[1] of an enacted administrative regulation. The administrative regulation, primarily a building and zoning code, is binding on the public. Sanctions may follow noncompliance. Like a statute, a locality's building regulations are "the authentic exposition" of the law, which the *Banks* Court indicated should be "free for publication to all." *Banks,* 128 U.S. at 253, 9 S.Ct. at 40.

The First Circuit has indicated its approval of this reasoning in a case presenting facts similar to those we measure today. In *BOCA,* the plaintiff, Building Officials and Code Administration ("BOCA"), another code-writing organization, claimed copyright protection for its model building code, which it encouraged public authorities to adopt through a licensing program. *See BOCA,* 628 F.2d at 732. The Commonwealth of Massachusetts adopted and distributed a building code substantially similar to BOCA's model code, pursuant to a licensing agreement with BOCA. *See id.* Massachusetts then referred persons seeking to purchase a copy of the code to BOCA. *See id.* The defendant, Code Technology, Inc. ("CT"), a private publisher, published, and distributed its own edition of the Massachusetts building code. CT's edition was almost identical to BOCA's edition. *See id.* Relying on *Banks* and

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[1] The majority emphasizes that Veeck copied the regulation from a clearly marked, copyrighted edition of SBCCI's model code, rather than, presumably, going to the community in question, obtaining a copy of the regulation, and retyping or scanning that document onto his website. I do not view this as material. As Justice Harlan, sitting as a circuit justice, stated over one hundred years ago, "any person desiring to publish the statutes of a state may use any copy of such statutes to be found in any printed book, whether such book be the property of the state or the property of an individual." *Howell v. Miller,* 91 F. 129, 137 (6th Cir.1898) (refusing to enjoin publication of a competing compilation of state statutes and noting that it would not matter if the defendant had "cut from [the plaintiff's] books the general laws of [the State]").

Wheaton, CT argued that because BOCA's code was adopted by the state as a set of administrative regulations having the force of law, it had lost its copyright protection and thus entered the public domain. *See id.* at 733. BOCA retorted that the building code differed from judicial opinions and statutes because it was written by a privately funded entity and not by the government using public funds. *See id.*

Although the First Circuit declined to rule on the ultimate merit of the plaintiff's case, in vacating the district court's grant of a preliminary injunction to the copyright holder, it noted that it was "far from persuaded that [the plaintiff's] virtual authorship of the Massachusetts building code entitles it to enforce a copyright monopoly over when, where, and how the Massachusetts building code is to be reproduced and made publicly available." *Id.* at 735. The court reasoned that the public "owns the law" not just because it pays the salaries of those who write the statutes and judicial opinions, but because "[t]he citizens are the authors of the law." *Id.* at 734. The court also determined that due process guarantees access to the law because it requires notice of legal obligations. *See id.* It then expressed doubt that due process would allow a private entity to limit access under the copyright law, and to decide for itself when, where, and how the code was to be reproduced and made publicly available. *See id.* at 735. The court ultimately declined to decide the issue, however, remanding to the district court for further proceedings. *See id.* at 736.[2] Finding the *BOCA* analysis compelling, I conclude that a privately

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[2] The First Circuit noted that "since the rule denying copyright protection to judicial opinions and statutes grew out of a much different set of circumstances than do these technical regulatory codes, we think BOCA should at least be allowed to argue its position fully on the basis of an evidentiary record." *BOCA,* 628 F.2d at 736.

developed code is no longer entitled to copyright protection once it enters the public domain.

The majority contends that refusal to enforce SBCCI's copyright would result in a departure from the prior decisions of our sister circuits. On close inspection of those cases, it appears to me that no other circuit has addressed a substantively similar situation to the one before us today. The result I favor would not, therefore, be in discord with the decisions of our sister circuits. *Practice Management* did not reject, outright, the viability of a public domain defense to copyright infringement. In that case, the Ninth Circuit declined to find that the "public domain" argument supported a publisher's attempt to produce its own copy of a medical coding system developed and copyrighted by the American Medical Association, that had been adopted by the federal Health Care Financing Administration for use in Medicare and Medicaid claim forms. *See Practice Management,* 121 F.3d at 517. I note that in *Practice Management,* the party challenging the copyright was a private entity seeking to "share in AMA's statutory monopoly." *Id.* at 519. Had the Ninth Circuit in *Practice Management* been faced with a situation similar to that presented here — where a private individual sought to publish gratuitously a public law for use by other citizens, rather than an instance where a private company sought to invalidate a copyright for its own commercial purposes — it may have decided differently.

It is also apparent that the *Practice Management* court was chary to apply the public domain rationale to defeat a copyright based on the concern that invalidating the AMA's copyright "would expose copyrights on a wide range of privately authored model codes, standards, and reference works to invalidation." *Id.* The Ninth Circuit warned that "'[t]o vitiate copyright, in such circumstances, could, without adequate justification, prove

destructive to the copyright interest in encouraging creativity,' a matter of particular significance in this context because of 'the increasing trend toward state and federal adoptions of model codes.' " *Id.* at 518 (citing 1 Nimmer § 5.06[C], at 5-92 (1996)). Similarly, in *CCC Information Services,* the Second Circuit declined to employ the public domain concept to invalidate a copyright of a car valuation system that had been adopted into some states' insurance codes. The *CCC Information Services* court based its ruling on a public policy-based concern for the ramifications to the copyright holder should the holder be forced to give up its copyright in every instance where the state adopted or referenced its work. *See CCC Info. Servs.,* 44 F.3d at 73-74. Utter disregard of the majority's, as well as the Second and Ninth Circuits', expressed trepidation regarding the viability of standards-writing organizations is not lightly employed.[3] Neither the Second nor the Ninth Circuit, however, was presented with a situation where a private individual sought to publish the law for the sole purpose of sharing it with other citizens. The factual scenario brought before this court leads me to evaluate the public domain rationale in a light different from that utilized by these Circuits. When I balance the protection of original works versus the protection of the public's due process interest, I come down in favor of the public's ability to access the law without private constraints.

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[3] This concern is not without merit. It is undisputed that SBCCI spends considerable time developing its codes, and thus provides a valuable service to local governments that choose to adopt the codes, either in whole or in part. The majority asserts, however, that a refusal to enforce SBCCI's copyright could result in a loss of incentive to create municipal codes. According to the majority, that loss would result in "increased governmental costs as well as the loss of the consistency and quality to which standard codes aspire." I disagree. SBCCI could charge a fair price to a city for code preparation, which a city could then compare to the cost of in-house preparation.

The extent of SBCCI's control over a regulation binding on the public further fortifies Veeck's assertion that a private entity should not be the sole gatekeeper to the public's laws despite the fact that here, copies were available to individuals at city hall or local libraries. The transformation of SBCCI's privately created work into a public law provides grounds to invalidate SBCCI's copyright to the extent that its code is enacted into law. Following along the lines of the reasoning of the First Circuit in *BOCA,* I conclude that the due process concern for public access to the law forbids a private entity from exerting sole control over a public law through a copyright. Consequently, once enacted, the portions of SBCCI's codes that become law enter the public domain and are no longer entitled to copyright protection.

B. Merger and the Idea/Expression Dichotomy

The reasoning implemented in the due process/public domain section of this dissent is sufficient to bolster reversal. Reversal could also be predicated on another, equally potent basis. Veeck has asserted that once adopted, SBCCI's codes become facts that are not protected under the Copyright Act. Further, because the exact language is critical to an enacted law's meaning, the "idea" embodied in the law merges with SBCCI's unique expression. In that case, the copyright becomes unavailing to its owner. SBCCI retorts that citizens are able to produce their own version of the information contained in the model codes and that it is only its particular expression that is protected by the Copyright Act. The district court rejected Veeck's merger argument, finding that the subject of building codes is open to multiple forms of expression. The majority has affirmed this conclusion.

As a preliminary matter, copyright protection is not extended to facts, procedures, processes, methods of operation,

or information in the public domain. *See* 17 U.S.C. § 102(b); *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. at 350, 111 S.Ct. at 1290; *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 547-48, 105 S.Ct. 2218, 2223-23, 85 L.Ed.2d 588 (1985); *Kepner-Tregoe, Inc. v. Leadership Software, Inc.*, 12 F.3d 527, 533 (5th Cir.1994). Similarly, a copyright protects the expression of ideas, not the ideas themselves. *See Kepner-Tregoe,* 12 F.3d at 533. "[I]n order to protect the immunity of ideas from private ownership, when the expression is essential to the statement of the idea, the expression also will be unprotected, so as to insure free public access to the discussion of the idea." *CCC Info. Servs.*, 44 F.3d at 68. Where an idea is susceptible only to one form of expression, the merger doctrine applies and the expression will not be protected by the Copyright Act. *See* 17 U.S.C. § 102(b); *Kepner-Tregoe,* 12 F.3d at 533; *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 138-40 (5th Cir.1992). This "idea/expression dichotomy 'strike [s] a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author's expression.'" *Harper & Row,* 471 U.S. at 556, 105 S.Ct. at 2228 (citing, with approval, the Second Circuit's discussion of the copyright protection afforded to an idea versus its expression in *Harper & Row Publishers, Inc. v. Nation Enters.*, 723 F.2d 195, 203 (2d Cir.1983)). There is no bright-line test for determining whether an idea is distinguishable from its expression. The merger, or lack of it, should be determined based on the facts of the case. *See Country Kids 'N City Slicks, Inc. v. Sheen,* 77 F.3d 1280, 1285 (10th Cir.1996). It is appropriate for the court to incorporate policy choices into its merger analysis, including the public's interest in free access to the law. *See CCC Info. Servs.*, 44 F.3d at 68.

I agree with the majority that prior to adoption by local municipalities, SBCCI's model codes are entitled to copyright protection. Although no court has held decisively that the merger doctrine may be used to invalidate a copyright in a privately developed code that is enacted into law, there is merit to Veeck's argument that *once enacted,* the codes do become a fact or idea, in that there is only one accurate way to express an enacted law. The majority fails to explain how, once a model code is adopted as law, either in whole or in part, there exists any other way of expressing *the law.*[4] In *CCC Information Services,* the Second Circuit declined to invalidate the plaintiff's copyright interest in its Red Book car valuation that had been adopted into the state's insurance code, but explicitly acknowledged that the defendant's merger argument "is not easily rebutted." *Id.* at 68. The Second Circuit ultimately rejected the merger doctrine based on "the need, where elements of the copyright law conflict, to determine, as a policy judgment, which of its commands prevails over the other." *Id.* The court concluded that the fundamental principle of copyright law of granting authors exclusive rights to their writings outweighed the policy benefit of preserving public access to ideas. *See id.* at 68-72. Here, I conclude that the policy benefit of preserving unfettered public access to the law outweighs the interest of permitting the holder of a copyright in a "model

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[4] While the majority acknowledges that "[t]he global enactment of a code does make that code the law of the enacting municipality and hence, in one sense, a 'fact,'" it steadfastly maintains that Veeck's use cannot be saved by the merger doctrine. The majority would, however, hold harmless certain individuals quoting certain sections of the law for a particular purpose, such as "contractors who need to use building codes." It is difficult indeed to distinguish between this use and that of Veeck. It is beyond peradventure that Veeck posted the building codes on the internet site as a service to the general public, a class which may include contractors and home builders.

code" to maintain that copyright subsequent to the code's adoption into law.

By its very nature, an enacted law enters the public realm as a concrete, definite fact/idea. There is only one accurate way to express a law. Courts consistently stress that, as a preliminary matter, the exact words of a statute govern its interpretation. *See, e.g., Kennedy v. Texas Utils.*, 179 F.3d 258, 261 (5th Cir.1999) ("'The starting point for interpreting a statute is the language of the statute itself.'" (citing *Consumer Prod. Safety Comm'n v. GTE Sylvania, Inc.*, 447 U.S. 102, 108, 100 S.Ct. 2051, 64 L.Ed.2d 766 (1980))); *City of Sherman v. Pub. Util. Comm'n,* 643 S.W.2d 681, 684 (Tex.1983) ("Generally the intent and meaning [of the legislature] is obtained primarily from the language of the statute" (citing *Magnolia Petroleum Co. v. Walker,* 125 Tex. 430, 83 S.W.2d 929, 934 (Tex.1935))). The importance of examining the precise language of a statute in order to glean its meaning demonstrates the concrete, inflexible nature of a statute's language once it is enacted into law. The same concept applies to an administrative regulation, such as a building code. An individual attempting to gain access to the building code of Anna or Savoy, Texas has only one choice — it must view the enacted version of SBCCI's model code. This is a case where the merger doctrine is especially appropriate because other methods of expressing the idea are foreclosed. *See Educ. Testing Servs. v. Katzman,* 793 F.2d 533, 539 (3d Cir.1986) (citing *Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240, 1253 (3d Cir.1983)). An individual wishing to publish the text of a law cannot develop his own, unique version and still publish an authoritative copy.

Moreover, it is antithetical to our nation's concept of public participation for a private entity to monopolize the public laws. *See generally Kepner-Tregoe,* 12 F.3d at 533 (justifying the

merger doctrine on the basis that no one should be given a monopoly over an idea). Congress could not have intended for a private organization to be given the exclusive right to control others' ability to copy and distribute an enacted law. Even the towns themselves apparently keep relevant portions of the SBCCI code as the official version.

I am not dissuaded from applying merger in this case by the Second Circuit's opinion in *CCC Information Services.* That court did not discuss, with any detail, the issue of whether a copyrighted work would merge with its underlying idea when enacted into law. Instead, the court was concerned with whether the ideas expressed in a compilation of informational matter were entitled to copyright protection. Here, in contrast, our focus is on the adoption of the copyrighted work into law. I would agree with Veeck that once adopted, SBCCI's model code becomes a concrete fact that is outside the realm of copyrightable works under section 102(b) of the Copyright Act. *See Feist,* 499 U.S. at 356, 111 S.Ct. at 1293 (explaining that section 102(b) is "universally understood to prohibit any copyright in facts"). This same consideration convinces me that once SBCCI's code is enacted by reference into law, the "ideas" embodied in the law merge with SBCCI's original creation, causing the model code to lose its copyright protection.

SBCCI spends thousands of hours developing its codes, providing a valuable service to governments that choose to adopt the model codes as their own. The majority has embraced the arguments set forth by SBCCI that its economic future will be compromised if citizens, such as Veeck, are able to post copies of copyrighted codes on the internet. This argument lacks merit. As SBCCI itself points out, private citizens are already permitted to copy SBCCI's code from the municipality at City Hall. As such, citizens are able to avoid having to buy SBCCI's codes from the organizations by viewing a copy at a

local government office or library. It is illogical for SBCCI to argue that its viability is threatened if a private individual is able to copy the law to share with others because these others could just as easily access the information from the local government without arousing SBCCI's protestation. The minute burden that might befall the standards-writing organizations because of the actions of Veeck and others like him is outweighed by the benefit of Veeck's act of enhancing unfettered access to the law.

Based on the foregoing discussion, I would hold that once a "model code" is adopted into law by the government, a private entity, such as SBCCI, may no longer assert a copyright over the law's content, for the law enters the public domain and should be readily available for access by all citizens. Further, upon enactment, the law transforms into an "idea" that is no longer distinguishable from its expression, causing SBCCI's codes to lose their copyright protection. For these reasons, I would reverse the judgment of the district court.

I respectfully dissent from the majority's contrary conclusion.

APPENDIX C
DISTRICT COURT OPINION

United States District Court,
Eastern District of Texas,
Sherman Division.

Peter VEECK, d/b/a Regional Web,
Plaintiff-Counter Defendant,

v.

SOUTHERN BUILDING CODE
CONGRESS INTERNATIONAL, INC.,
Defendant-Counter Claimant.

No. 4:98cv63.
March 24, 1999.

MEMORANDUM OPINION AND ORDER

FOLSOM, District Judge.

Came on for consideration the cross-Motions for Summary Judgment in the above entitled cause. National Fire Protection Association filed an Amicus Curiae brief in support of the Defendant, Southern Building Code Congress International, Inc. ("SBCCI"). Henry H. Peritt, Jr., filed an *Amicus Curiae* brief in support of Plaintiff, Peter Veeck. The Court held a hearing on the motions on October 14, 1998. Leave to file supplemental briefs was granted to both parties and National Fire Protection Association. Having considered the Motions, the Responses, the Briefs, the arguments at the hearing, and the applicable law, the Court finds the following.

I. BACKGROUND

SBCCI, is a not-for-profit organization whose existence is to promote and promulgate standards which safeguard life, health, and public welfare for all types of buildings and constructions. Since 1940, SBCCI's primary mission has been to develop and maintain a set of model building codes known as the Standard Building Codes. These codes include the Standard Building Code, Standard Plumbing Code, Standard Gas Code, Standard Fire Prevention Code, and Standard Mechanical Code. The cities of Anna and Savoy, Texas, under expressed agreements with SBCCI, have enacted ordinances adopting SBCCI's model codes by reference.

Peter Veeck, owns and operates a website known as Regional Web which provides free access via the Internet to information by or about the area of Texas north of Dallas. This information also contains some of the areas municipal codes and ordinances. Mr. Veeck purchased the 1994 version of SBCCI's model codes on electronic format from SBCCI. He then used the software included with the product, loaded the product on his computer, and cut and pasted the data. He then published the edited material on his webpage as the municipal codes of Anna and Savoy, Texas. Mr. Veeck used a telephone to order the codes and purchased the codes by use of a credit card.

II. SUMMARY JUDGMENT STANDARD

The current standards for reviewing a motion for summary judgment were established in the Supreme Court's trilogy of *Celotex Corp.* v. *Catrett*, 477 U.S. 317, 106 S. Ct. 2548, 91 L.Ed.2d 265 (1986), *Anderson* v. *Liberty Lobby, Inc.*, 477 U.S. 242, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986) and *Matsushita Electrical Industrial Co. Ltd.* v. *Zenith Radio Corp.*, 475 U.S. 574, 106 S.Ct. 1348, 89 L.Ed.2d 538 (1986); see also *Topalian*

v. Ehrman, 954 F.2d 1125 (5th Cir.1992), *cert denied*, 506 U.S. 825, 113 S.Ct. 82, 121 L.Ed.2d 46 (1992). Summary judgment is appropriate when the movant can demonstrate that the evidence, including pleadings and affidavits, establishes that there are no genuine issues of material fact. Fed. R. Civ. P. 56(c). Once the movant produces such evidence, the nonmovant must come forward with competent evidence that controverts the material facts of the claim at issue. See *Topalian*, at 1131. A dispute about a material fact is "genuine" if the evidence would permit a reasonable jury to return a verdict for the nonmoving party. See *Anderson*, 477 U.S. at 248, 106 S.Ct. 2505. Simply stated, the Court must decide whether the result of submitting these matters to the trier of fact would be preordained. See *Society of Financial Examiners* v. *National Association of Certified Fraud Examiners*, 41 F.3d 223, 226 (5th Cir.1995).

Mr. Veeck contends that SBCCI, by allowing the use of its model codes by municipalities, has allowed such codes to become part of the public domain and not subject to copyright protection. In essence, Mr. Veeck proposes that there are four grounds for finding lack of copyright protection: (1) due process and access to the law, (2) the fact/idea-expression merger, (3) misuse, and (4) waiver. As contained in its counterclaim and cross-motion, SBCCI argues that Mr. Veeck has violated the copyrights in its codes.

III. DISCUSSION

A. Banks and Due Process

Mr. Veeck asserts that SBCCI's standardized codes became law and thus entered the public domain when the municipalities by adoption as local law required their enforcement. This argument rest ultimately upon *Banks* v. *Manchester*, 128 U.S. 244, 9 S.Ct. 36, 32 L.Ed. 425 (1888), which held that judicial

opinions are uncopyrightable. *Banks* in turn rests upon two grounds, neither of which would justify invalidation of SBCCI's copyright protection. See *Practice Management Information Corporation v. The American Medical Association*, 121 F.3d 516, 518 (9th Cir.1997), *cert. den.*, 522 U.S. 933, 118 S.Ct. 339, 139 L.Ed.2d 263 (1997). The Ninth Circuit, in Practice Management, explained those two grounds and why the *Banks* Court held that judicial opinions are not subject to copyright: (1) the public owns the opinions because it pays the judge's salaries, and (2) as a matter of public policy, the whole work done by the judges constitutes the authentic exposition and interpretation of the law, which, binding every citizen, is free for publication to all. *Practice Management*, 121 F.3d at 518.

With regard to factor number one, there is no question that SBCCI is a private non-profit corporation which carries out research, compiles data, drafts standardized codes, and then prints them in a usable fashion for its customers. Further, SBCCI offers services in conjunction with the printing of its codes to assist the reader in better understanding its codes. SBCCI bears the financial weight of this process. The only public money used to facilitate SBCCI's work is that income derived from the sale of SBCCI's product. As such, the public does not own SBCCI or its works.

Further, the copyright system's goal of promoting the arts and sciences by granting temporary monopolies to copyright holders was not at stake in *Banks*. *Practice Management*, 121 F.3d at 518. In contrast, the production of the standardized codes provides the economic incentive for SBCCI to produce and maintain the standardized codes. *Id.* As the Ninth Circuit stated. "To vitiate copyright, in such circumstances, could, without adequate justification, prove destructive of the copyright interest, in encouraging creativity, a matter of

particular significance in this context because of the increasing trend toward state and federal adoptions of model codes." *Practice Management*, 121 F.3d at 518 (citations omitted). As SBCCI and National Fire Protection Association point out, invalidating or not enforcing these copyrights on the ground that the standardized codes entered the public domain when the municipalities adopted them as law would expose copyrights on a wide range of privately authored model codes, standards, and reference works to jeopardy. *Id.* at 519. As the Ninth Circuit stated, "Non-profit organizations that develop these model codes and standards warn they will be unable to continue to do so if the codes and standards enter the public domain when adopted by a public agency." *Id.* Agreeing with these assertions, the Court finds that the first *Banks* element is not met in the present case.

The second element, one of public policy, also dictates that SBCCI's copyright in its standardized codes are enforceable. *Banks* and Mr. Veeck rely upon the *due process* requirement of free access to the law. Mr. Veeck argues that it is necessary to publish the standardized codes on the Internet in order to provide free access of the law to the public. Mr. Veeck states that the codes in question are not otherwise generally available. The Court finds these assertions without merit.

What Mr. Veeck really asserts is that the model codes are not available to him in the most convenient manner. Mr. Veeck's own actions of ordering the model codes directly from SBCCI establish that the codes can be obtained over the telephone, just as Mr. Veeck proposes with the Internet where a fee would also be incurred by the citizen. See Oral Deposition of Peter Veeck, at 30 (discussion on service charges for Internet providers). Further, the evidence presented by SBCCI and through Mr. Veeck establishes that Mr. Veeck did obtain access to the municipal codes. To illustrate, when he did obtain access

to the Denison, Texas, municipal ordinance, he realized he had ordered the 1994 version of SBCCI's standardized codes, yet Denison had adopted the 1988 version. See Oral Deposition of Peter Veeck, at 90. Similarly, Mr. Veeck learned when he traveled to Anna, Texas, that the City of Anna had adopted the 1994 version of SBCCI's standardized codes. *Id.* at 100. More importantly, Mr. Veeck believed that the City of Anna would have a copy of the SBCCI codes, but he did not ask for them or for access to them. *Id.* at 102-103. In fact, other than the City of Savoy, where Mr. Veeck was told a copy of the codes were at "public works," there was no other municipality where he looked where he could not locate the codes. *Id.* at 108-109.

The evidence presented by SBCCI establishes that in the cities of Sherman and Denison, Texas, the model codes as adopted by these municipalities are available to the public. The Court is satisfied that the citizens of the communities wherein these codes have been adopted do have access to them. There is no evidence that Mr. Veeck was personally denied access to any of these codes or that others have been denied access to the codes. As such, the Court finds that Mr. Veeck's assertions of violations of due process and lack of access are without merit and no genuine issue of material fact exists in his claims. The Court finds that *Banks* is clearly distinguishable to the present case or scenario as stated above. Accordingly, the Court finds that SBCCI's works should be afforded their copyright protection.[1]

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[1] As indicated by National Fire Protection Association, no case directly (or indirectly as the Court views the case law) supports the Plaintiff's view that a copyrighted work when incorporated into the law eliminates the copyright protection of the maker of that work. As the Second Circuit stated and this Court agrees, "We are not prepared to hold that a state's reference to a copyrighted work as a legal standard ... results in loss of the copyright." *CCC Info. Serv. Inc.* v. *Maclean Hunter Market Reports, Inc.*, 44 F.3d 61, 73-74 (2d Cir.1994). While Plaintiff has raised policy considerations, "they

The Fifth Circuit has also addressed the arguments of Mr. Veeck in favor of SBCCI. In *State of Texas* v. *West Publishing Company*, 882 F.2d 171, 177 (5th Cir.1989), the State of Texas argued that it had "an obligation under the due process clause to provide its residents with access to its laws and that West's copyright impinges on this obligation" because West had the only "accessible" version of the statutory law. The Fifth Circuit found the State's argument to be without merit, stating that Texas residents have ready access to the law (as the municipal residents do in this case) and that there was no evidence that anyone was "being denied access to [the law] or that West intends to deny access in the future." *Id.* As this Court has found, the residents of these municipalities "are not being deprived of any due process right they could conceivably have to access [municipal] laws." *Id.* Further, if Mr. Veeck's access to the codes is slightly limited by "enforcement of [SBCCI's] copyright against ... wholesale copying, this will not inflict injury on the opportunity for public debate, nor restrict access to the kind of idea that illuminates our understanding of the phenomena that surround us or of useful processes to solve our problems." *CCC Info. Serv. Inc.*, 44 F.3d at 73.

The Court specifically notes that this is not a case where a citizen was denied any access to the law as adopted by the municipalities in question. The Court further finds that this is not a case where a citizen desired to photocopy the codes at a municipal office and was denied that access. The Court further finds that this is not a case where Mr. Veeck simply copied the codes from the municipal offices and SBCCI now seeks to

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are opposed to the countervailing considerations." *Id.* at 74. Such countervailing considerations include substantial problems under the Takings Clause of the Constitution and a chilling effect on non-profit organizations conducting the research and testing of such codes. This is especially so in light of the fact that the present case reveals no denial to access.

prevent that action. Rather, Mr. Veeck ordered the SBCCI standardized codes directly from SBCCI and published those specifically copyrighted works on the Internet.

B. Fact/Idea-Expression Merger

Similarly, the Court finds that the fact/idea-expression merger proposed by Mr. Veeck is not appropriate to this case. See *American Dental Association* v. *Delta Dental Plans Association*, 126 F.3d 977, 979 (7th Cir.1997) (holding, dental association's taxonomy was original work of authorship entitled to copyright protection, and taxonomy was not uncopyrightable "system," and stating, "The Code's descriptions don't 'merge with the facts' any more than a scientific description of butterfly attributes is part of a butterfly.") (citations omitted). A copyright protects the expression of an idea but not the idea itself. Under the merger doctrine, however, expression is not protected when there are no or few other ways of expressing a particular idea. *Educational Testing Servs.* v. *Katzman*, 793 F.2d 533, 539 (3d Cir.1986). Such is not the situation in the present case where model building codes can be and are planned, developed, and published by a number of non-profit organizations. If the same idea can be expressed in a plurality of totally different manners, a plurality of copyrights may result. *Id.* at 539. The evidence shows that other methods of expressing these ideas are not foreclosed as a practical matter. *Id.* at 539. Accordingly, there is no merger. SBCCI's model codes are but one way of expressing an idea, but its codes are not the only way of expressing that same idea. The Court finds that the subject of building codes is open to a number of different types of expressions. Therefore, the Court finds that no merger of fact/idea and expression have occurred to prevent SBCCI from enforcing its copyrighted works.

C. Misuse

The Court also finds that SBCCI has not misused its copyrights. See *American Dental Association*, 126 F.3d at 981 (stating, "So far as the ADA is concerned, any dentist, any insurer, anyone at all, may devise and use forms into which the Code's descriptions may be entered. The ADA encourages this use; standardization of language promotes interchange among professionals."). SBCCI is a nonprofit corporation and has a membership base consisting of approximately 14,500 members. See Affidavit of William J. Tangye. Of this 14,500 members, about 2,400 are government entities, consisting of cities, counties, and state governments. *Id.* As the organization which maintains the standard codes, SBCCI claims copyright interest in the codes and each title is registered in the Copyright Office. *Id.* These codes are offered for adoption as local construction ordinances to any local government, at no cost, and with no obligation on the part of the government unit to become a member of SBCCI. *Id.* The total cost of preparation, promulgation, and maintenance of the codes is borne by SBCCI, which includes the input of thousand of design professionals, building contractors, building officials from all over the country, construction industry groups, trade associations, and other interested citizens. *Id.* It is from this pool of knowledge and expertise, compiled in a readily usable and understandable form, that the codes are offered to the local governments at no cost to the public. SBCCI does not mandate the use of their codes nor are the other services of SBCCI required upon adoption of the codes. See *Practice Management*, 121 F.3d at 521 (holding misuse of copyright because of limitations imposed on licensing agreement). The Court finds that there exists no misuse of SBCCI's copyrights with regard to allowing municipalities involved in this case to adopt by reference its standardized codes.

D. Waiver

Mr. Veeck asserts that SBCCI has waived its right to copyright protection in the standardized codes because SBCCI encourages municipalities to adopt their codes by reference. This Court disagrees. Waiver requires the existence of a right or privilege which may be waived, the actual or constructive knowledge thereof, and an intention to relinquish such right or privilege. *Matter of Garfinkle*, 672 F.2d 1340, 1347 (11th Cir.1982). A waiver may be expressed or implied from conduct. *Id.* However, when a waiver is implied from conduct, "the acts, conduct, or circumstances relied upon to show waiver must make out a clear case." *Id.* The facts of the present case reveal no express waiver. The Court further finds no implied waiver. To the contrary, SBCCI expressly reserved its copyright in the codes adopted by reference by the municipalities. Further, the materials which Mr. Veeck actually received from SBCCI contained the copyright expressions of the Defendant. In addition, the Court agrees with National Fire Protection Association's statement that the fact that SBCCI chooses to provide free access to its copyrighted works in North Carolina is irrelevant to this case. Countless entities provide free access to materials on the Internet and still retain enforcement to their copyrights.

E. Fair Use

Under the provisions of 17 U.S.C. § 107, the Court finds that Mr. Veeck's use of SBCCI's copyrighted works did not amount to a "fair use." A challenge to a noncommercial use of a copyright work requires "proof either that the particular use is harmful, or that if it should become widespread, it would adversely affect the potential market for the copyrighted work." *Sony Corp.* v. *Universal City Studios*, 464 U.S. 417, 451, 104 S. Ct. 774, 78 L.Ed.2d 574 (1984). Actual present harm need not be shown, and it is not necessary to show with certainty that future harm will result. *Id.* The burden is on the copyright

holder to show by a preponderance of the evidence "that some meaningful likelihood of future harm exists." *Id.* SBCCI has more than demonstrated that this particular use by Mr. Veeck and the affect of widespread use in this manner would be harmful and adversely affect the potential market for the copyrighted works of SBCCI. The Court finds a present harm and that there exists a meaningful likelihood of future harm to SBCCI. The Court has explored the remaining factors of § 107 and finds that in light of the purposes of the copyrights at issue, a "fair use" by Mr. Veeck is not found.

F. SBCCI's Infringement Claim

The Court finds that SBCCI does hold enforceable copyrights to the standardized codes. The Court further finds that Mr. Veeck purchased those codes directly from SBCCI. The Court finds that the materials purchased by Mr. Veeck contained information with regard to SBCCI's copyrights. Mr. Veeck has admitted that he copied the codes from SBCCI's materials and published them on his website. See Oral Deposition of Peter Veeck, at 36 and 52. As such the Court finds there is more than a substantial similarity between SBCCI's works and the edited version which Mr. Veeck published on the Internet. A copyright infringement action requires the plaintiff to prove ownership of a valid copyright and copying by the defendant. *Lakedreams* v. *Taylor*, 932 F.2d 1103, 1107 (5th Cir.1991). The Court finds these elements have been met in this case by SBCCI. In essence, Mr. Veeck did not publish the law. Mr. Veeck ordered a copyrighted work from SBCCI, edited it for his use, and the published the material to those members of the public who may have Internet access. As such, Mr. Veeck violated the copyrights of SBCCI.

There are a total of five copyright infringements in this case. SBCCI's five separate copyrighted works at issue are as

follows: Standard Plumbing Code, 1994 Edition (Registration Number TX 3-956-811); Standard Building Code, 1994 Edition (Registration Number TX 3-911-096); Standard Fire Prevention Code, 1994 Edition (Registration Number TX 3-921-392); Standard Mechanical Code, 1994 Edition (Registration Number TX 3-916-634); and Standard Gas Code, 1994 Edition (Registration Number TX 3-922-545). While Mr. Veeck in his Answers to the SBCCI's Counter-Claims denied that he published SBCCI's copyrighted model codes, he has admitted that he published the codes enacted by various cities and towns in north Texas which adopt such models by reference. See also Affidavit of Brad Ware, Exhibit 7 of Defendant's Motion for Summary Judgment. Since the Court has determined that this publication infringed the copyrights of SBCCI, Mr. Veeck is liable for five infringements of SBCCI's copyrighted works.

G. Remedies

Permanent Injunction

This Court has authority to grant "temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright." 17 U.S.C. § 502(a). Courts have traditionally granted "permanent injunctions where a continuing threat of copyright infringement exists and liability has been established." *Central Point Software, Inc.* v. *Nugent*, 903 F. Supp. 1057, 1060 (E.D.Tex.1995). Liability has been established in this case, and the Court finds that a continuing threat of copyright infringement does exist. Therefore, the Plaintiff, Mr. Veeck, is permanently enjoined from interfering with any of SBCCI's copyrights, including but not limited to, unauthorized use, copying and/or distribution of SBCCI's standardized codes, "posting" or publishing of SBCCI's standardized codes on the Internet, continued posting or publishing of SBCCI's standardized codes on the Internet, and

from encouraging and aiding others to commit such acts. SBCCI's request for a permanent injunction in this matter is GRANTED.

Statutory Damages

SBCCI has elected to recover an award of statutory damages under 17 U.S.C. § 504(c). Under this provision, the Court may award any amount in a sum of "not less than $500 or more than $20,000 as the court considers just." 17 U.S.C. § 504(c)(1). Within that range defined by the statutory maximum and minimum, "the court has virtually unfettered discretion in setting the damage award." *Playboy Enterprises, Inc.* v. *Webbworld, Inc.*, 991 F. Supp. 543, 560 (N.D.Tex.1997), *aff'd*, 168 F.3d 486 (5th Cir.1999). Where the suit involves infringement of more than one separate and independent work, as in this case, "minimum statutory damages for each work must be awarded." *Broadcast Music, Inc.* v. *Xanthas, Inc.*, 855 F.2d 233, 236 (5th Cir.1988). Damages, however, may not be awarded under § 504(c) "without a hearing or a demonstration by detailed affidavits establishing the necessary facts." *Id.* at 237. The Court finds that a demonstration by detailed affidavits establishes the necessary facts in this case to award SBCCI as Counterclaimant an amount of $500 for each of the five violations, for a total of $2,500. The Court bases this determination on the fact that Mr. Veeck has not profited from the publishing of these codes and SBCCI has not provided any evidence that Mr. Veeck profited from the publication of these codes. See *Playboy*, 991 F. Supp. at 561 (stating, "Copyright infringement, however, must not be allowed to serve as the cornerstone of a profitable business."). Because $2,500 is just and reasonable in this case, and falls within the statutory guidelines of § 540(c), the Court AWARDS $2,500 in total statutory damages to SBCCI. SBCCI's request for statutory damages as indicated above is GRANTED.

Costs and Attorneys' Fees

SBCCI has requested this Court grant it attorneys' fees. Within the Court's discretion, attorneys' fees may be awarded to a prevailing party pursuant to 17 U.S.C. § 505. Although attorney's fees are awarded in the trial court's discretion, "they are the rule rather than the exception and should be awarded routinely." *Micromanipulator Co., Inc. v. Bough*, 779 F.2d 255, 259 (5th Cir.1985). Therefore, the Court finds that an award of attorneys' fees to SBCCI is appropriate in this case. However, the Court desires affidavits to be filed to determine the appropriate amount of a fee. SBCCI will have ten (10) days from the date of this Order to file an Affidavit on the matter of attorneys' fees. Mr. Veeck will be allowed five (5) days to respond to said Affidavit.

IV. ORDER

This matter is before the Court for consideration of cross-motions for Summary Judgment filed by the Plaintiff and the Defendant. The Court having thoroughly reviewed this matter, having set forth its findings in a Memorandum Opinion, and being otherwise sufficiently advised, it is hereby

ORDERED, ADJUDGED, AND DECREED that Plaintiffs' Motion for Summary Judgment is be DENIED. It is further

ORDERED that Defendant's Motion for Summary Judgment is GRANTED. It is further

ORDERED that final judgment in accordance with this Opinion and Order will be entered in favor of the Defendant/Counterclaimant. It is further

ORDERED that the Defendant/Counterclaimant shall submit affidavits on the issue of an appropriate attorneys' fee award within ten (10) days from the date of this Order. It is further

ORDERED that the Plaintiff shall submit affidavits on the issue of an appropriate attorneys' fee award within five (5) days after the Defendant/Counterclaimant's submission.

APPENDIX D
STATUTORY PROVISIONS

1. The Copyright Act provides in pertinent part:

17 U.S.C. § 101

"* * * *

A 'work of the United States Government' is a work prepared by an officer or employee of the United States Government as part of that person's official duties.

* * * "

17 U.S.C. § 105

"Copyright protection under this title is not available for any work of the United States Government, but the United States Government is not precluded from receiving and holding copyrights transferred to it by assignment, bequest, or otherwise."

17 U.S.C. § 201

"(a) Initial Ownership.—Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are coowners of copyright in the work.

* * *

"(e) Involuntary Transfer.—When an individual author's ownership of a copyright, or of any of the exclusive rights under a copyright, has not previously been transferred voluntarily by that individual author, no action by any governmental body or other official or organization purporting to seize, expropriate, transfer, or exercise rights of ownership with respect to the copyright, or any of the

exclusive rights under a copyright, shall be given effect under this title, except as provided under title 11."

2. The National Technology Transfer and Advancement Act of 1995, Pub. L. No. 104-113 § 12(d), 110 Stat. 775, codified at 15 U.S.C. § 272 Note, provides in pertinent part:

> **"(d) Utilization of Consensus Technical Standards By Federal Agencies; Reports.—**
>
> "(1) In general.—Except as provided in paragraph (3) of this subsection, all Federal agencies and departments shall use technical standards that are developed or adopted by voluntary consensus standards bodies, using such technical standards as a means to carry out policy objectives or activities determined by the agencies and departments.
>
> "(2) Consultation; participation.—In carrying out paragraph (1) of this subsection, Federal agencies and departments shall consult with voluntary, private sector, consensus standards bodies and shall, when such participation is in the public interest and is compatible with agency and departmental missions, authorities, priorities, and budget resources, participate with such bodies in the development of technical standards.
>
> "(3) Exception.—If compliance with paragraph (1) of this subsection is inconsistent with applicable law or otherwise impractical, a Federal agency or department may elect to use technical standards that are not developed or adopted by voluntary consensus standards bodies if the head of each such agency or department transmits to the Office of Management and Budget an explanation of the reasons for using such standards. * * * "

OCT 21 2002

CLERK

NO. 02-355

(9)

In the Supreme Court of the United States

SOUTHERN BUILDING CODE CONGRESS INTERNATIONAL, INC.,

Petitioner,

v.

PETER VEECK D/B/A REGIONALWEB,

Respondent.

On Petition for a Writ of Certiorari to the
United States Court of Appeals for the Fifth Circuit

BRIEF IN OPPOSITION

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29 pp

QUESTION PRESENTED

Does an entity's copyright in a text it proposes to the government for adoption as a criminal law extend to such law after adoption so as to bar an individual from publishing the text of that law?

RULE 14.1(b) STATEMENT

Respondent Peter Veeck is an individual operating a not-for-profit website <http://regionweb.texoma.net>.

The court should also be aware that the Southern Building Code Congress International, Inc. ("SBCCI") has integrated with the other three U.S. based building code organizations (Building Officials and Code Administrators International or BOCA and the International Conference of Building Officials or ICBO) into one organization, the International Code Council or ICC, http://www.intlcode.org/newsletter/nr100102.consolidation.htm>. These entities no longer have separate existence or membership.

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I.
INTRODUCTION

In this case, the Fifth Circuit held that the petitioner's copyrights in model building codes it proposed to the cities of Anna and Savoy, Texas did not extend to the laws incorporating the proposed texts. Thus, the Southern Building Code Congress International ("SBCCI") could not invoke copyright of the model to prevent respondent Peter Veeck from publishing the law of Anna and Savoy, Texas, on his non-profit website. That decision was based upon three independent grounds: the Act's merger/non-extension doctrine, the conclusion that governments must be deemed the authors and owners of the laws they enact, and an analysis of the judicial history of the subject. SBCCI fails to fairly or meaningfully address the court's holding on any of these points. This brief will focus on the merger and authorship issues. The Fifth Circuit's thoughtful and thorough review of the judicial history needs no explication.

II.
SUMMARY OF THE ARGUMENT

This Court should deny SBCCI's Petition for Certiorari for the following reasons:

1. SBCCI's petition does not fairly or meaningfully deal with the issues decided by the Fifth Circuit. For instance, it fails to address the Fifth Circuit's conclusion that Mr. Veeck only published the uncopyrightable laws of Anna and Savoy, Texas, on his not-for-profit public service website <http://regionalweb.texoma.net> rather than the copyrighted model of SBCCI. And it fails to address the Fifth Circuit's conclusion that the public is the author and owner of public laws so that they are available for anyone to publish.

2. There is no split among the circuits on the issues decided by the Fifth Circuit -- the "merger doctrine" and the ownership/authorship issues. Nor is there a circuit split on the statutory issues SBCCI claims impact this case -- 17 U.S.C. §§ 101, 105 and 201(e). The statutory and regulatory

issues SBCCI raises are essentially irrelevant to the court of appeals' decision. The cases SBCCI cites are distinguishable on the nature of the works involved--they don't involve laws governing primary conduct enforced by criminal sanctions[1]; *Practice Management Information, Inc. v. AMA*, 121 F.3d 516 (9th Cir. 1997), cert denied 1998 W.L. 54150 S.Ct (1998) was decided on other grounds (copyright misuse) and its dicta regarding "due process" is irrelevant [as are the comments in *CCC Info. Serv., Inc. v. MacLean Hunter Market Reports, Inc.*, 44 F.3d 61, 73-74 (2nd Cir. 1994)] because the Fifth Circuit explicitly explained that its holding was not on such ground but on the concept of public authorship and ownership of laws. Furthermore, those cases recognized the existence and applicability of the due process doctrine, but merely failed to find the due process issue sufficiently significant under the specific facts of those cases to be dispositive.

3. This case was correctly decided by the Fifth Circuit after very extensive briefing and careful consideration.

4. There are other bases for the result below, not discussed by the court nor alluded to in the petition (fair use, copyright misuse, First Amendment speech, due process and common law waiver) which may properly be invoked by Mr. Veeck as alternative grounds for affirmance should this Court grant the petition.

III.
STATUTORY, REGULATORY AND CONSTITUTIONAL PROVISIONS INVOLVED

In addition to the provisions reproduced in the Petition for Certiorari, this case involves the following statutory, regulatory and constitutional provisions:

17 U.S.C. § 102(b):

---

[1]The model laws proposed by SBCCI and adopted by Anna and Savoy are not simply technical standards or specifications, but are designed and intended to be complete systems for defining required conduct, compelling and verifying performance, and punishing violations. They provide for inspections (with and without warrants) and specify criminal and civil consequences.

> In **no case** does copyright protection for an original work of authorship **extend** to **any** idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work. (emphasis added)

17 U.S.C. § 107:

> Notwithstanding the provisions of section 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include –
>
> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
> (2) the nature of the copyrighted work;
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole;
> (4) the effect of the use upon the potential market for or value of the copyrighted work.
>
> The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

Compendium of Copyright Office Practices (Compendium II) section 206.01:

> Edicts of government, such as judicial opinions, administrative rulings, legislative enactments, public ordinances, and similar official legal documents are not copyrightable for reasons of public policy. This applies to such works whether they are Federal, State, or local as well as to those of foreign governments.

Constitution of the United States, Amendment I:

> Congress shall make no law ... abridging the freedom of speech, or of the press ....

IV.
REASONS FOR DENYING THE WRIT

A. THE PETITION MISCHARACTERIZES THE ISSUES PRESENTED TO AND DECIDED BY THE FIFTH CIRCUIT

The Fifth Circuit decided *en banc* that neither 17 U.S.C. § 102(b) (the Copyright Act's fact-idea/exclusion or "non-extension" doctrine) nor the concepts of authorship/ownership allow the

extension of copyrights in model laws to enacted statutes. SBCCI fails to mention §102(b) in its disclosure of "Statutory Provisions Involved" or its table of authorities, and discusses the "merger" doctrine in the body of its petition as if it were exclusively of common law origin. It misrepresents the second basis of the *en banc* decision as merely based on due process and fails to address the authorship/ ownership concept expressed by the court.

SBCCI misstates both the merger and authorship issues as follows:

> [Merger] Are **not-for-profit** organizations that create copyrighted model codes and **standards divested** of their rights under the Copyright Act when a **federal** agency or state or local government adopts requirements which incorporate the copyrighted material by reference?
>
> [Authorship] Is there a **due process** right of "**access to the law**" as enacted which **invalidates** the statutory copyright of model codes and **standards** once governments incorporate them by reference, even when the model codes are **widely and readily accessible** to potential users on **reasonable terms**?

However, the rule of law SBCCI seeks to establish is not limited to "not-for-profit" corporations, but would equally benefit for-profit lobbyists[2] who propose texts for adoption as "the law." More importantly, this case is not about *divestiture* nor *invalidation* of copyrights in the models, but whether copyrights **extend** to laws incorporating the copyrighted language proposed. The Fifth Circuit explicitly held that copyrights in models remain enforceable, but faithfully applied the statutory language of § 102(b) when it ruled that such copyrights do not *extend* to and monopolize an enacted law, especially where (a) the author asks the government to promulgate such

---

[2] Copyright attaches to a "work" (including that of a lobbyist proposing a particular text for adoption) as soon as it is "fixed," [17 U.S.C. Sec 102(a)] and neither registration nor notice is required for such exclusive control. As the court pointed out, below, "SBCCI offers no outer limit on claims of copyright prerogatives by nongovernmental persons." *Veeck* at 798.

provision, and (b) the alleged infringer identifies the posted text as the law of the enacting jurisdiction (not as the model code[3]), factors SBCCI completely ignores in its formulation of the issues.

SBCCI's second issue contains two presumptions: (1) that this question should be decided on a case-by-case basis involving a fact-intensive inquiry [a proposition which the Fifth Circuit rejected (293 F.3d 297, 800)], and (2) that the codes in question were "widely and readily accessible in the city on reasonable terms." However, it fails to define those "criteria" so they may be objectively and consistently applied, and ignores the fact that there were serious limitations on the availability of the building codes in question in Anna and Savoy, Texas.

The extent to which the codes were available in Savoy and Anna, Texas is found in Peter Veeck's summary judgment affidavit. He testified that the municipal codes of the small community of Anna, Texas were not available due to the absence of the city clerk on the two occasions when he tried to see them [R-602]. Savoy ordered one copy which "was someplace down at public works. The clerk didn't know where or who had it." [R-139, lines 12-22]. Neither town has a library or bookstore [R-601]. The full set of building codes cost Mr. Veeck $385,[4] and could only be purchased from SBCCI. Thus, SBCCI's second question contains factual predicates which are contradicted by the record in this case.

Moreover, SBCCI misrepresents the Fifth Circuit's decision as being based upon "due process," when it was not. Rather, the court's reasoning was as follows:

---

[3] The court noted that:

> By analogy, the result in this case would have been different if Veeck had published not the building codes of Anna and Savoy, Texas, but the SBCCI model codes, as model codes. *Id.* 805.

[4] SBCCI charges the following for its 1994 and 1997 model codes (SBCCI refers to them as its "Standard Codes") when bought individually rather than as a package: Standard Building Code©, $72.00/82.50; Standard Plumbing Code©, $57.00/63.00; Standard Fire Prevention Code©, $57.00/60.00; Standard Existing Buildings Code©, $52.50; Standard Mechanical Code©, $57.00; Standard Gas Code©, $57.00/60.00; and the Standard Swimming Pool Code©, $10.00. [R-70].

> Even when a governmental body consciously decides to enact proposed model building codes, it does so based on various legislative considerations, the sum of which produce its version of "the law." In performing their function, the lawmakers represent the public will, and the public are the final "authors" of the law. ...
>
> > The citizens are the authors of the law, and therefore its owners, regardless of who actually drafts the provisions, because the law derives its authority from the consent of the public, expressed through the democratic process.
>
> [*Building Officials & Code Adm. v. Code Technology, Inc.*,] 628 F.2d [730,] at 734 [(1st Cir. 1980)]. This "metaphorical concept of citizen authorship" together with the need for citizens to have free access to the laws are the ultimate holding of *Banks* [*v. Manchester*, 128 U.S. 244 (1888)]. *Id.*

Veeck v. SBCCI, 293 F.3d at 799. The Fifth Circuit went on to explain that:

> *Banks* does not use the term "due process." There is also no suggestion that the *Banks* concept of free access to the law is a factual determination or is limited to due process, as the term is understood today. Instead, public ownership of the law means precisely that "the law" is in the "public domain" for whatever use the citizens choose to make of it. Citizens may reproduce copies of the law for many purposes, not only to guide their actions but to influence future legislation, educate their neighborhood association, or simply to amuse. If a citizen wanted to place an advertisement in a newspaper quoting the Anna, Texas building code in order to indicate his dissatisfaction with its complexities, it would seem that he could do so. In our view, to say, as *Banks* does, that the law is "free for publication to all" is to expand, not factually limit, the extent of its availability.

Id.

A copyright holder determines if, when, and how the public may access its works. It charges whatever it wishes. That may be desirable where compliance with the work is not required by the government. But, where the work is the social compact by which the public agrees to certain conduct (which agreement we are all presumed to know and compelled to obey), the parties to that

compact must be the owners of that text and have a basic right to freely access their agreement so they may know and comply with its terms.[5]

B. THERE IS NO CONFLICT AMONG THE CIRCUITS

There is no circuit split on the issue of whether "the law, which, binding every citizen, is *free for publication to all....*" *Banks v. Manchester*, 128 U.S. at 253. (emphasis added). The cases SBCCI cites do not say that laws (especially complete regulatory schemes, as ours) are subject to copyright, nor do they deny the requirement of *freedom to publish* in order to maximize access to penal laws. Rather, the question before the Second Circuit was not whether copyright barred the publication of a law actually adopted by a government body, but whether a copyrighted document that was simply *referred to* in a law or regulation could be freely copied. *See CCC Information Services v. Maclean Hunter Market Reports, Inc.*, 44 F.3d 61 (2d Cir. 1994) (New York statute referring to the "Red Book" of automobile values as an alternative for use in settling claims); *Practice Management Information Corp. v. American Medical Association*, 121 F.3d 516 (9th Cir.) (federal regulation requiring use of AMA coding system for doctor services), *cert. denied*, 522 U.S. 933 (1997).[6] Nor, is *Veeck* in conflict with *Co. of Suffolk V. First Amer. Real Estate Solutions*, 261 F.3d 179, 193, 194 (2nd. Cir. 2001), which is separately discussed, below. In *Suffolk Co.*, which was

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[5]The right to publish vindicated in *Banks* is rooted in the public's right to access, just as in the context of First Amendment speech. The constitutional guarantee of free speech "serves significant societal interests" wholly apart from the speaker's interest in self-expression. *First National Bank of Boston v. Bellotti*, 435 U.S. 765, 776 (1978). [By protecting those who wish to enter the marketplace of ideas from government attack], the First Amendment protects the public's interest in receiving information. See *Thornhill v. Alabama*, 310 U.S.88, 102 (1940); *Saxbe v. Washington Post Co.*, 417 U.S. 843, 863-864 (1974) (Powell, J.,dissenting). See, also, *Bigelow v. Virginia*, 421 U.S. 809, 816 (1975), holding that a newspaper may raise an advertiser's First Amendment right of speech in its own defense because of "the transcendent value to all society of constitutionally protected expression."

[6] In addition, *Practice Management* was actually decided in favor of the alleged infringer on other grounds (copyright misuse), so its comments about the validity of the copyright were dicta.

decided subsequent to *CCC Information Services*, the Second Circuit recognized the principle that "no one may own a copyright in statutes."

As the Fifth Circuit majority recognized, this distinction is critical. Unlike the cases on which SBCCI relies,

> This case does not involve references to extrinsic standards. Instead, it concerns the wholesale adoption of a model code promoted by its author, SBCCI, precisely for use as legislation. Case law that derives from official incorporation of extrinsic standards is distinguishable in reasoning and result.

293 F.3d at 804. SBCCI points to no cases that reach a result different from that of the *en banc* Fifth Circuit on the issue whether copyright may be invoked to prevent publication of the text of a law adopted by a government body. Absent such conflicting authority on the authorship/ownership issue, there is no pressing need for resolution of the issue by this Court.

Moreover, the cases on which SBCCI relies are not only distinguishable, but are also reconcilable in principle with the result below. *Practice Management Information, Inc. v. AMA*, for example, did not say there is no right to freely access the law. Rather, the court stated, in *dicta*, that "[t]he second consideration underlying *Banks* -- the due process requirement of free access to the law --may be relevant but does not justify termination of the AMA's copyright." *Practice Management* at 519. Thus, *Practice Management* recognized the "requirement" vindicated by the Fifth Circuit, below (albeit in terms of "ownership" rather than "due process") and is consistent rather than in conflict with *Veeck* on even the more limited due process issue. The Ninth Circuit merely opined that abrogating the AMA's copyright was not the proper remedy under that particular set of facts (i.e., where the AMA publication defined the format used in filing Medicare claims and there was "no evidence that anyone wishing to use the CPT has [any] difficulty obtaining access to it"). *Practice Management* at 519.

Furthermore, *Practice Management* was premised on the conclusion that there was no evidence that "the AMA has restricted access to users or intends to do so in the future." Clearly, that is not the case here, where SBCCI actually ordered a citizen to stop his public service posting and where the record demonstrates significant restriction due to price and availability.

In *CCC Info. Serv., Inc. v. MacLean Hunter Market Reports, Inc.*, 44 F.3d 61, 73-74 (2nd Cir. 1994), the Second Circuit also specifically recognized that "there are indeed policy considerations that support CCC's argument [that the Red Book was in the public domain by reason of the government's reference]..." However, the court found that countervailing considerations were stronger in that particular case, citing the "takings clause of the Constitution." But, the "takings" consideration does not apply in our case since SBCCI's model codes were adopted by Anna and Savoy at SBCCI's request. The "takings" issue, moreover, can be addressed in terms of compensation rather than allowing private parties to control access to the law.

Indeed, the Second Circuit's position on this issue is better stated in *Co. of Suffolk*, supra, which involved government authored maps which would have apparently been copyrightable if published by a private party. The issue was whether all materials created by or for a governmental entity are in the public domain as a matter of due process. It vacated a dismissal on the pleadings (i.e. all plaintiff's allegations were assumed true) and remanded on the issues of whether the tax maps created by the county fell into the public domain as a matter of due process and whether they were sufficiently original to merit copyright protection in the first place. *Veeck* involves the very situation which the Second Circuit said would put works in the public domain:

> Here, the tax maps themselves do not create the legal obligation to pay property taxes but are merely a means by which the government assesses a pre-existing obligation. The fair warning" required under the Due Process Clause is satisfied through the notice provided by the statute that establishes the obligation to pay property taxes.

> There is no allegation that notice of this statute is not generally available ... Notice concerns simply are not present here. [citation omitted] (*Suffolk*, 195)

However, *Suffolk Co* at 194 contains this comment in the due process context:

> ...two considerations influence whether a particular work may be properly deemed in the public domain: (1) whether the entity or individual who created the work needs an economic incentive to create or has a proprietary interest in creating the work and (2) whether the public needs notice of this particular work to have notice of the law.

Thus, *Suffolk Co*, like *Practice Management* and *CCC* concludes that there is a due process basis for holding laws are in the public domain. Clearly, the public needs notice of the codes of Anna and Savoy, Texas. And, as the Fifth Circuit points out, SBCCI does not get its incentive to write laws from the potential for profit from sales of those laws.

Suffolk Co. indicates that proper inquiry is whether economic incentives are required for the *government* to produce such works, stating that "*Banks* is properly read as requiring a determination whether the particular governmental entity or employee has adequate incentive to create the work absent copyright protections...Judges and legislators do not need additional economic incentives to, respectively, write opinions or enact legislation." and "legislators do not need additional economic incentives to...enact legislation." *Suffolk Co.* at 194.

The purpose of the Copyright Act is to encourage creative work. If that work will be done without such incentive, the constitutional and statutory purposes will be achieved and there is no ground for abridging First Amendment speech. Thus, the 2nd Circuit apparently concludes that laws are in the public domain by their very nature.

The above language in *Suffolk Co.* indicates that all laws are in the public domain and does not require a case-by-case fact intensive inquiry. Thus, it appears that the Second Circuit (the court which decided *CCC*), would have found the laws to be in the public domain as a matter of due process.

C. THE FIFTH CIRCUIT'S DECISION IS CORRECT

1. The Fifth Circuit Correctly Applied 17 U.S.C. § 102(b)

The result in this case can be explained and upheld on the limited statutory merger issue.

17 U.S.C. §102(b) is clear and unambiguous, and courts must apply that statute according to its plain meaning.

> In **no case** does copyright protection for an original work of authorship ***extend*** to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work. (emphasis added)

SBCCI completely ignores the statutory language. On page 16 of its petition, SBCCI claims:

> 3. Despite these unambiguous provisions of federal law, the en banc majority invented an exception to the copyright owned by drafters of model codes, holding that adoption into law throws the codes into the public domain. Short of a constitutional violation, the court needed at least a statutory hook in the Copyright Act on which to hang such an exception. It had none.

SBCCI then mistakenly claims that "[t]he *en banc* majority fundamentally misunderstood the important but limited doctrine of 'merger'..." The Fifth Circuit did not, as SBCCI claims, *divest* SBCCI of its copyrights in the models, but correctly obeyed § 102(b) in holding that copyrights do not *extend* to laws.

A law is an "idea, procedure, process, system, method of operation, concept, principle, or discovery" as contemplated by § 102(b). Laws are also "facts" because they can only be expressed in one or a few ways, and thus merge with their expression and enter the public domain pursuant to the so called "fact-expression merger doctrine." *Feist Publications, Inc. v. Rural Tel. Service Co.*, 499 US 340 (1991).

Beginning on page 21, SBCCI writes:

> 5... Suppose that instead of arguing that SBCCI's model codes "merged" with the "fact" of the law upon enactment, Veeck argued that Irvine Welsh's final draft of

> Trainspotting merged with the fact of being the novel Trainspotting upon publication. True, that is the unique expression of the book Trainspotting. No responsible observer, however, would think that the impossibility of conveying this novel in any way other than through the exact text of the novel nullified Welsh's copyright. The relevant point is that the novel is a unique expression of something particular. Others are free, however, to address the same subject in their own ways. (Emphasis added.)

The misunderstanding SBCCI exposes by this comment is its own, rather than the court's. Contrary to SBCCI's assertion, "[o]thers are [not] free ... to address the same subject in their own ways" and claim that their expressions are the law of Anna, Texas. The "fact" which is "merged" is not "of being the novel" (that would be like saying that the expression is the expression), but the idea expressed. Unlike the story expressed by Welch, which can be told in a multitude of ways, the law is so intimately tied to its expression that the change of a comma, preposition or article can change its command.

Every word of the law is critical and subject to balance and interpretation. The various shades and nuances of the law can only be authoritatively determined by reference to the exact language and not simply to someone else's paraphrase, restatement or interpretation (which, of course, would be subject to copyright). Thus, the idea which the legislature has converted into a law at the request of SBCCI is merged with the expression into something more and different than the model.

The "law," as opposed to a story, is a "fact" for the purpose of "merger" because it is the unique, authoritative expression of the command, and, thus, has the power to compel actions. Any other expression is more akin to an opinion, interpretation, explanation or variation on a theme which can be expressed in numerous ways. That distinction is illustrated by comparing SBCCI's version of the merger doctrine with the actual words of the Copyright Act to determine what the Copyright Act law actually requires in this case.

Finally, SBCCI argues that the merger doctrine does not apply because people could propose other laws than those adopted by Anna and Savoy, Texas. However, the fact that other people may express other judgments and that other codes can be created dealing with the same subject matter does not change the reality underlying the merger doctrine and its application in this case. There may be thousands of other ideas of what the law should be. But, there is only one authoritative expression of the Building Code for the City of Anna, Texas, as adopted by its legislative body. Thus the Fifth Circuit held that copyright in a model code may not extend to monopolize access to that crystallization of the concept of the law which is in fact enacted.

2. Authorship/Ownership

The Fifth Circuit's concurrent holding that the text of laws falls outside the scope of copyright because the government, and not any private party, is the author and owner of the law likewise reflects a faithful and correct application of this Court's precedents, most prominent among them the decision in *Banks v. Manchester*. The Fifth Circuit's holding that the public is the owner and author of its laws also finds support in the Copyright Act, the Copyright Clause of the Constitution, the interpretation of those authorities by the Copyright office, as well as our own common sense.

The Fifth Circuit's authorship holding reflects the fact that the enactment of model codes as law is transformative. The public bodies create something new and unique which only they are in a position to author. This Court focused upon that criteria in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 127 L.Ed.2d 500, 515 (1994) in the context of "the purpose and character of the use" criteria of "fair use" [Copyright Act, 17 U.S.C. §107]:

> The inquiry focuses on whether the new work merely supersedes the objects of the original creation, or whether and to what extent it is "transformative," altering the original with new expression, meaning, or message. The more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use. The heart of any parodist's claim to quote from existing material is the use of some elements

> of a prior author's composition to create a new one that, at least in part, comments on that author's work.

That concept was further discussed in *Leibovitz v Paramount Pictures*, 137 F.3d 109 (2nd Cir. 1998).

Moreover, Article 1, 8, 8 does not create a Constitutional copyright in literary works, but, rather, is a limitation on Congressional power to legislate in that regard. Only laws aimed at "promoting science and the useful arts" are permitted. *Sony Corp. v. Universal Studios, Inc.*, 464 US 417, 428-434 (1984); *Feist Publications v. Rural Telephone Service, Inc.*, 499 U.S. 340 (1991); and *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53 (1884). Congress is presumed to have intended its enactment to comply with this "public interest" limitation as well as those protecting speech and guaranteeing due process. That precise principle was recognized by the federal agency responsible for interpreting the Copyright Act[7] in its Compendium of Copyright Office Practices (Compendium II) section 206.01:

> Edicts of government, such as judicial opinions, administrative rulings, legislative enactments, public ordinances, and similar official legal documents are not copyrightable for reasons of public policy. This applies to such works whether they are Federal, State, or local as well as to those of foreign governments.

Thus, SBCCI argues that *Banks* was based on a finding that Congress lacked the power to allow copyright of judicial opinions because that incentive is not necessary to encourage judges to do their work. While the Fifth Circuit rejected that reading of *Banks* as being too limited, it would still have reached the same result had it employed that analysis. The Fifth Circuit noted that copyright profit is not what motivates SBCCI to write codes. *Id.* at 806.

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[7] *United States v. Mead Corp.*, 533 U.S. 218, __, 121 S. Ct. 2164, 2175 (2001) [noting that even where an agency's interpretation of law is not entitled to highly deferential treatment pursuant to *Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837 (1984), "an agency's interpretation may merit some deference whatever its form, given the 'specialized experience and broader investigations and information' available to the agency" (quoting *Skidmore v. Swift & Co.*, 323 U.S. 134, 139 (1944))].

Furthermore, *Sony* reiterated this Court's previous holdings that the copyright law makes reward to the owner a secondary consideration since the sole interest of the United States and the primary object of the statutory scheme lie in the general benefits derived by the public. This Court went on to reaffirm the approach set out in *Twentieth Century Music Corp. v. Aiken*, 422 US 151, 156, 95 S.Ct. 2040, 45 L.Ed.2d 84 (1975) that:

> The limited scope of the copyright holder's statutory monopoly, like the limited copyright duration required by the Constitution, reflects a balance of competing claims upon the public interest; Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music and the other arts. Even where material is subject to copyright protection, "[a]ll reproductions of the work, however, are not within the exclusive domain of the copyright owner; some are in the public domain," *Sony* at 432.

Since the statute does not, on its face, allow private copyrights of statutes, the constitutional rights, public interest and judicial history compel the conclusion that public enactments are in the public domain as a matter of constitutional law and statutory construction. If Congress intended there to be copyrights of the law, it has had the opportunity to say so after each case suggesting the contrary.[8]

Even the panel majority correctly understood this concern and found that

> ...as a matter of public policy, [the law is] not subject to copyright because the public interest is served by free access to the law...because "[t]he whole work done by the judges constitutes the authentic exposition and interpretation of the law, which, binding every citizen, is free for publication to all. . . ." [fn *Banks v. Manchester*] This point would seem to apply equally to any statute, ordinance, or regulation that has the force of law irrespective of authorship. *Veeck v. SBCCI* panel decision, Petitioner's Appendix, p. 76a.

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[8] *Sony Corp v. Universal Studios, Inc.*, 464 U.S. 417 (1984); http://laws.findlaw.com/US/464/417.html. Section II of the decision in *Sony*, supra, strongly cautions judicial restraint. The constitution makes it plain that:

> ...it is Congress that has been assigned the task of defining the scope of the limited monopoly that should be granted to authors... to give the public appropriate access to their work product. Because this task involves a difficult balance between the interest of authors... in the control and exploitation of their writings... on the one hand, and society's competing interest in the free flow of ideas, information and commerce on the other hand, our patent and copyright statutes have been amended repeatedly. [464 U.S. 417, 430]...In a case like this, in which Congress has not plainly marked our course, we must be circumspect in construing the scope of rights created by a never contemplated such a calculus of interests. [464 U.S. 417, 432].

But without reference to any criteria, recognized principles of law nor any analysis of the factors considered or weighed, the panel majority concluded that "...extrapolating broad generalities from such a narrow holding is risky...." And, it made

> ...a policy judgment ... balancing of the public interests in, on the one hand, encouraging innovation through copyright and, on the other hand, ensuring free access to the law. We...perceive the scale of countervailing policy considerations to be tipped in favor of enforcing SBCCI's copyright. *Veeck v. SBCCI* panel decision, Petitioner's Appendix, p. 77a.

The *en banc* majority apparently found that the panel had ruled arbitrarily in that regard.

3. §§ 101, 105, and 201(E) of the Copyright Act Do Not Support SBCCI's Position

SBCCI claims that the Fifth Circuit's ruling is contrary to the Copyright Act, citing §§ 101 and 105 (which together prohibit copyrights in works by or for the federal government) and 201(e) (1999) (prohibiting expropriation of copyrights). First the court observed that, §§ 101 and 105 are not intended to deal with the issues in our case. Congress's decision not to allow copyright in works produced for the federal government does not mean it intended to grant the power to copyright everything else. Section 102(b) must have some application!

And, as the Court explained, section 201(e) (prohibiting expropriation of copyrighted materials by governments) does not contradict its decision. SBCCI simply fails to parse section 201(e) to determine its application.

> (e) **Involuntary** Transfer. -- When an individual author's ownership of a copyright or of any of the exclusive rights under a copyright has not previously been transferred **voluntarily** by that **individual author**, no **action by any governmental body** or other official or organization **purporting** to **seize, expropriate, transfer or exercise rights of ownerships** with respect to the copyright or any of the exclusive rights under a copyright shall be given effect under this title except as provided under Title 11. (emphasis added).

As the Court pointed out, SBCCI **voluntarily** gave the cities of Savoy and Anna permission to use the codes in question as their own law. Thus, **Savoy and Anna did not expropriate anything** by

such use. Nor, are we dealing with an act **purporting** to seize, expropriate, transfer or exercise the rights created by the Act. The consequences of SBCCI urging the adoption and Anna acceding to such request by adopting the proposed text was not an expropriation or other act purporting to take SBCCI's property, but a licensed use which had certain consequences, including those of the merger doctrine and that of authorship/ownership of the adopting government recognized in *Banks*. Section 201(e) does not apply in our case. Whether it applies where the use is not with permission may be for another case to decide.

Furthermore, SBCCI is not an "individual author" as contemplated by the Act. All terms in a statute are presumed to have meaning and no interpretation should be applied which ignores a term or makes it mere surplusage. *Potter v. United States*, 155 U.S. 438, 446 (1894); *National Credit Administration v. First National Bank and Trust Co.*, 522 U.S. 479, 481 (1998); *Dunn v. Commodity Futures Trading Commission*, 519 U.S. 465, 472 (1997). The meaning of the term "individual author" must be determined in that context. See 17 U.S.C. §101.

The copyright statute recognizes and protects the rights of natural persons as authors. The only instance in which it invests non-human entities with rights as authors is under the "work for hire" fiction vesting rights in the employer. The reference to "individual author" relates back to these two categories (i.e. "natural persons" as "authors" and works for hire) in the statutory scheme and protects individual natural persons. Any other interpretation makes the reference to "individual" (in connection with "author") meaningless surplusage.

4. SBCCI's Other Attacks on the Fifth Circuit's Decision Are Meritless

Even SBCCI acknowledges that the exclusive statutory rights under the Copyright Act can not be extended to entirely prevent public access to the binding statutory law of the citizenry. It merely argues that the Fifth Circuit should have engaged in a fact-specific inquiry into the adequacy

of the public's access to th as controlled by SBCCI) and that the acc llows – for a price – is sufficient. In effect, SBCCI argues that private parties should serve as the gatekeepers to public laws. Mr. Veeck suggests that such approach will effectively nullify the right vindicated in *Banks*.

Indeed, this case demonstrates the problem with the kind of fact intensive case-by-case inquiry that SBCCI contends is the appropriate way to determine whether laws are in the public domain. Sufficiency of access, like beauty, is entirely in the eyes of the beholder. Some judges may consider the access demonstrated by our facts to be sufficient while others may not. SBCCI offers no meaningful test for sufficiency to guide courts in the exercise of judicial discretion so as to avoid arbitrary results. Making the right to publish and, thus, liability for a citizen like Mr. Veeck for erring in that regard, subject to a case by case, fact intensive inquiry will chill the exercise of the right and surely make it more apparent than real.[9]

SBCCI further contends (based on its misconstruction of the Fifth Circuit's holding as being based primarily upon constitutional "due process") that the public interests in access are limited and fully vindicated by a "lack of access" defense in criminal prosecutions. [Petition, p. 20] But the availability of such defense is not adequate, nor does it address all of the public's interests in access. The state is interested in compliance with building codes, not punishing violators. The individual is interested in knowing and complying with the law rather than defending and being found not guilty

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[9] *Smith v. California*, 361 U.S. 147, 150 (1959) held:

> For if the bookseller is criminally liable without knowledge of the contents, . . . he will tend to restrict the books he sells to those he has inspected; and thus the State will have imposed a restriction upon the distribution of constitutionally protected as well as obscene literature. . . . And the bookseller's burden would become the public's burden, for by restricting him the public's access to reading matter would be restricted. . . . [H]is timidity in the face of his absolute criminal liability, thus would tend to restrict the public's access to forms of the printed word which the State could not constitutionally [376 U S. 254, 279] suppress directly. The bookseller's self censorship, compelled by the State, would be a censorship affecting the whole public, hardly less virulent for being privately administered. Through it, the distribution of all books, both obscene and not obscene, would be impeded.

of a crime. SBCCI does not suggest that criminal exculpation is an adequate remedy for being required to demolish a substandard building, suffering catastrophic physical harm, facing civil liability for negligence, or being subjected to the expense and pain of having to defend a criminal charge resulting from ignorance of the law.[10] The right recognized and enunciated by this Court in *Banks* is the right of someone like Mr. Veeck to freely publish the law so as to maximize public access rather than the existence of a defense to prosecution under a law to which she was denied access.

Moreover, SBCCI misses the point when it argues that "at no time in our history has government at any level perceived a constitutional obligation to supply to every citizen a *personal copy* of the text of every form of law, statutory and judicial, *for free*." [Petition, p. 18.] The issue here is the right of a citizen to *publish* the law, not the duty of government to make it known. It is not a question of whether the government must provide everybody a copy of its building codes, but whether the Copyright Act can be used as a barrier to public access so that a philanthropist wishing to publish the law as a public service has to get SBCCI's permission or buy all the copies from that source. The Fifth Circuit merely held that the Copyright Act does not have that effect.

SBCCI's warnings about the supposed dire consequences of the Fifth Circuit's ruling are similarly misguided. The suggestion that the Fifth Circuit's analysis would negate the copyright of any work whenever it is so much as mentioned by the government (for example, in a school reading list), is obviously incorrect. The Fifth Circuit's decision was explicitly limited to laws and not applied to reference materials. As the court explained:

> If a statute refers to the Red Book or to specific school books, the law requires citizens to consult or use a copyrighted work in the process of fulfilling their obligations. The copyrighted works do not "become law" merely because a statute

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[10] *Marathon Corp. v. Pitzner Ex Rel. Pitzner*, 55 S.W.3d 114, 130 (Tex.App.--2001) held that a premises owner is liable per se (as a matter of law) for a repairman's injuries while working on an air conditioner installed by a contractor in violation of the building code, of which the owner was held to have had "constructive knowledge."

> refers to them. See 1 *Goldstein Copyright*, § 2.49 at n. 45.2 (noting that *CCC* and *Practice Management* "involved compilations of data that had received governmental approval, not content that had been enacted into positive law"). Equally important, the referenced works or standards in *CCC* and *Practice Management* were created by private groups for reasons other than incorporation into law. To the extent incentives are relevant to the existence of copyright protection, the authors in these cases deserve incentives. And neither *CCC* nor *AMA* solicited incorporation of their standards by legislators or regulators. In the case of a model code, on the other hand, the text of the model serves no other purpose than to become law. SBCCI operates with the sole motive and purpose of creating codes that will become obligatory in law.

293 F.3d at 804-05.

Second, the record does not substantiate any likelihood of harm to SBCCI (nor, by extension, the model code industry) if it can not claim copyright to the codes of Anna and Savoy (or any other jurisdiction).[11] SBCCI publishes the Florida Building Code on its own website <http://www.sbcci.org/floridacodes.htm>; allows the publication of the North Carolina Building Code Enforcement Officers organization online; it admits on page 20 of its petition that "limited copying of excerpts would have little effect on the market for sale of model codes. That market is composed primarily of construction professionals and manufacturers, who need the entire codes. The market is not individual consumers..." There is no evidence that the construction professionals' or

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[11]Indeed, our record is to the contrary. Brad Ware, in his testimony before the Magistrate on SBCCI's motion for preliminary injunction, testified that the price for the works is not based upon the cost of producing and selling such works, but is arbitrarily arrived at by SBCCI. [Ware testimony before Magistrate Judge, August 24, 1998, pp. 26-27, Tab A]. And he testified that SBCCI had not considered any other funding model and that some other funding mechanism might work as well as one based upon a monopoly in the sale of Municipal Codes.

Q You could choose to raise money for your operations through an increase in dues, couldn't you?
A I suppose so.
Q You could choose to have some other form of assessment on people who used your codes, right?
A I -- yes.
Q You could charge license fees, right?
A Yes.
Q Instead, you have chosen to make your money through sales, or some of your money through sales, right?
A That's correct.
Q But you're not telling the Court that the -- that you know that entities such as yours would cease existing if they had to choose another mode of operation, are you?
A No, I'm not saying that. I can't -- I can't determine that.

[Ware testimony before Magistrate Judge, August 24, 1998, pp. 32-33, Tab A.].

manufacturers' market would be affected by the availability of the codes of particular jurisdictions on the Internet, especially if the price charged for hard copies and CDS is reasonable for such professional users (as SBCCI claims it to be). Petition, p. 3. And, more significantly, there is no reason to believe that SBCCI or any other code writing organization will go out of business if it suffers a decrease in sales and has to make up the shortfall through some other mechanism such as license fees or increased dues.

The National Congress of Commissioners on Uniform State Laws (NCCUSL), author of numerous laws such as the Uniform Commercial Code, exemplifies the ability to fund the basic governmental function of writing laws the same way governments pay for copiers and other things they need – through direct payment. We are not discussing the end of code writing organizations, but a possible change in the way they raise some of their money. Thus, this Court should not be swayed by the warnings of dire consequences flowing from the Fifth Circuit's decision.

> As one commentator explained, . . . it is difficult to imagine an area of creative endeavor in which the copyright incentive is needed less. Trade organizations have powerful reasons stemming from industry standardization, quality control, and self-regulation to produce these model codes; it is unlikely that, without copyright, they will cease producing them. 1 *Goldstein* § 2.5.2, at 2:51.(22).

293 F.3d at 806.

Moreover, any argument that state, local and federal governments will profoundly suffer should this Court not reverse the Fifth Circuit's decision is belied by the **amicus brief supporting Veeck** filed by **ten states (including Texas) and Puerto Rico**, below. These entities charged with making such evaluation tell us that the public interest is not served by governmentally created and enforced private monopolies in the publication of the law, but in free access. See, also, Compendium II § 206.01.

D. THE PETITION DOES NOT ADDRESS THE ALTERNATIVE GROUNDS FOR THE RESULT THAT WERE BRIEFED AND ARGUED BELOW

Unmentioned in SBCCI's Petition are the alternative grounds for the same result that were fully briefed and argued below, including that Mr. Veeck's not-for-profit publication of the laws of the Cities of Anna and Savoy, Texas, was a fair use under 17 U.S.C. § 107 even if the text of those laws is subject to SBCCI's copyright, and that the First Amendment protects Mr. Veeck's right to publish without restraint the laws adopted by those cities, regardless of any statutory copyright. Consideration of the issues tendered by SBCCI would necessarily also require the Court to consider these issues as alternative grounds for affirmance. Absent a direct conflict among the circuits on either the issues presented by SBCCI or the alternative grounds argued by Mr. Veeck, there is no reason for this Court to wade into the multiple and complex statutory and constitutional issues that are required for a complete resolution of the matter.

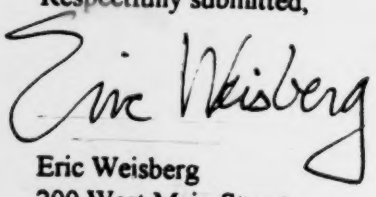
V.
CONCLUSION

SBCCI urges this Court to reverse the Fifth Circuit's carefully limited and well reasoned *en banc* decision and establish a rule which allows massive privatization of the public's law. It argues a case which has not been presented. And, it invokes the statutory protection of sec. 201(e) (against expropriation) which does not apply where the government's use was with permission and does not purport to seize or expropriate any copyright. The correct implication of SBCCI's grant of such permission to the cities of Savoy and Anna and their decision to enact the proposed language as their law was Peter Veeck's right to freely publish the law as enacted by those legislative bodies. That implication flows from the nature of the works as our common agreement, the governments' compulsion that we know and conform our conduct to such agreement, as well as our constitutional concepts of due process, free speech and free press. It also results from our common law concepts

of "waiver," "merger" an[illegible]use" and our statutory exemptions for fa[illegible]eas and "fair use."

There is no compelling reason for this Court to review the *en banc* decision of the Fifth Circuit.

Respectfully submitted,



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No. 02-355

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In the Supreme Court of the United States

SOUTHERN BUILDING CODE CONGRESS INTERNATIONAL, INC.,
Petitioner,

v.

PETER VEECK d/b/a REGIONAL WEB,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

BRIEF FOR THE AMERICAN SOCIETY OF MECHANICAL ENGINEERS, THE NATIONAL BOARD OF BOILER AND PRESSURE VESSEL INSPECTORS, AND AMERICAN CONCRETE INSTITUTE, *AMICI CURIAE*, SUPPORTING PETITIONER

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WILBUR CROSS, THE CODE: AN AUTHORIZED HISTORY OF THE ASME BOILER AND PRESSURE VESSEL CODE (1990) 1, 2, 19

The American Society of Mechanical Engineers, The National Board of Boiler and Pressure Vessel Inspectors, and the American Concrete Institute submit this brief as *amici curiae* in support of the Southern Building Code Congress International, Inc.'s petition for a writ of certiorari. The parties to the action have given their written consent to the filing of this brief pursuant to Rule 37(2)(a) of the Rules of this Court. The letters of consent have been filed with the Clerk.[1]

INTEREST OF THE *AMICI CURIAE*

1. ***Amici curiae.*** Although different in some respects, The American Society of Mechanical Engineers ("ASME"), The National Board of Boiler and Pressure Vessel Inspectors ("National Board"), and the American Concrete Institute ("ACI") are all not-for-profit organizations whose members volunteer to produce design, construction, and inspection codes. By adopting these codes into regulations and laws, the individual states and federal government have effectively endorsed the voluntary consensus standards developed by these organizations as the most effective way to create uniform standards in design, construction, and inspection that protect the American public and enhance interstate commerce.

a. On March 2, 1854, a boiler exploded at the Fales and Gray Car Works in Hartford, Connecticut. Destroying the boiler room and the adjoining blacksmith shop and shattering the main building, the explosion killed 21 people and injured more than 50 others. The coroner's jury that investigated the explosion concluded that regulations should be devised to require the regular safety inspection of boilers and to prevent the careless or inexperienced operation of boilers. Despite this devastating accident, the jury's recommendations went unheeded and boiler explosions continued.[2] In 1911, in response to the continuing

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1. Pursuant to Supreme Court Rule 37.6, *amici curiae* state that this brief was written, produced, and funded exclusively by *amici curiae* or their counsel.

2. WILBUR CROSS, THE CODE: AN AUTHORIZED HISTORY OF THE ASME BOILER AND PRESSURE VESSEL CODE 23, 29 (1990).

loss of life and property and to the need for standardization across political jurisdictions, ASME appointed a committee to write the organization's first Boiler Code. After almost four years of drafting, revision, and discussion, ASME published the first Boiler Code in 1915.[3]

ASME is a not-for-profit scientific, educational and technical organization for mechanical engineering, which was founded in 1880. It is a membership organization with over 125,000 individual members internationally. It has no corporate members. ASME serves several important functions, one of which is the development and maintenance of voluntary codes and standards associated with the art, science and practice of mechanical engineering.

ASME promulgates and publishes approximately 600 codes and standards addressing a broad range of topics related to mechanical engineering. ASME codes and standards include the Boiler and Pressure Vessel Code, the Elevator and Escalator Code, standards relating to turbines, cranes and pipelines, performance test codes, and standards as mundane as size dimensions for nuts and bolts, which enable interchangeability.[4] In addition, ASME operates related conformity assessment programs.

More than 100 principal standards committees operate within ASME, as well as hundreds more subcommittees, task groups and other sub-tier groups, with 3,600 volunteer participants and a full time codes and standards staff of nearly 100. Maintenance of ASME's standards is an ongoing process, requiring the consideration of new and advanced technologies and the enhancement of public health and safety. Over 1,000 committee and sub-tier group meetings are held each year as part of the extensive process of maintaining and updating ASME's codes and standards. It has been estimated that the

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3. *Id.* at 35-42.

4. All of these codes and standards are "voluntary consensus standards" described *infra*, at pp. 6-7. For purposes of this brief only, the terms "codes" and "standards" are used interchangeably.

members donate approximately $26 million of their time each year to drafting, revising and maintaining ASME's codes and standards.

The Boiler and Pressure Vessel Code ("BPVC") is ASME's most widely used code. The BPVC addresses components and new construction of pressure retaining equipment, including boilers, so that such equipment can be operated safely without undue danger of explosion. It sets specifications for heating boilers in places of public assembly, such as hospitals, schools and churches, as well as in multiple dwellings, and for pressure equipment in any kind of facility, from electric power generation plants, including nuclear plants, to chemical and oil refineries, to naval ships, to dry cleaning stores. The BPVC now consists of eleven specialized sections, further subdivided into 28 specialized volumes, with the most recent version being over 17,600 pages long. More than 950 individual professionals participate in maintaining the BPVC, including metallurgists, designers, manufacturers, insurance inspectors, users such as the power and petroleum industry, and independent consultants. In addition, 55 representatives of state and local governments, including members of *amicus* the National Board, participate in maintaining the BPVC. ASME has registered its copyrights in the BPVC and in all of its other 594 codes and standards.

b. The National Board was created in 1919 to promote greater safety for life and property through uniformity in the construction, installation and inspection of boilers and pressure vessels. Its membership comprises the Chief Boiler Inspectors of the 49 states, 12 Canadian provinces, and several municipalities that have adopted ASME's BPVC or other codes or standards acceptable to the National Board as a regulatory requirement. In addition to participating in the maintenance of ASME's BPVC, the National Board commissions and qualifies Authorized Inspectors (employed by governmental enforcement authorities, insurance companies, and owner/user inspection organizations), and it administers the process of third-party inspection of boilers and pressure vessels during the construction

process. In 1921, the National Board began registering all pressure vessels and boilers approved by an Authorized Inspector commissioned by the National Board. In the fiscal year 2001, the National Board registered 123,132 boilers, 1,177,598 pressure vessels, and 1,849 nuclear-power related components.

The National Board also publishes model boiler laws, rules and regulations such as NB-131 (entitled "Recommended Boiler and Pressure Vessel Safety Legislation") and NB-132 (entitled "Recommended Administrative Boiler and Pressure Vessel Safety Rules and Regulations"). The National Board Inspection Code ("NBIC") is a standard recognized worldwide for in-service inspection, repairs and alterations of boilers and pressure vessels. Twenty-six experts and members of the National Board provide input into the various codes that it creates and maintains. The National Board has registered copyrights for all of its codes.

c. ACI is a non-profit scientific and educational society organized in 1904 to represent the user interest in the concrete field. ACI has over 16,000 individual members. ACI supports over 100 technical committees, which currently produce more than 400 technical documents, reports, guides, specifications, and codes related to concrete technology and its applications. The committee members give approximately $10 million of volunteer time each year to drafting, revising, and maintaining ACI's technical documents, including codes. All of ACI's technical documents are reviewed at least every five years and are revised and reissued when necessary. ACI publishes and maintains four consensus documents: (1) ACI 318, Building Code Requirements for Structural Concrete, which governs the design and construction of structural concrete in buildings and is the source document for all United States concrete construction; (2) ACI 349, Code Requirements for Nuclear Safety Related Concrete Structures, which is referenced by licenses issued by the Federal Nuclear Regulatory Commission; (3) ACI 350, Code Requirements for Environmental Engineering Concrete Structures, which applies to the design and construction of concrete structures in the water

infrastructure, such as potable water tanks and water treatment facilities; and (4) ACI 530, Building Code Requirements for Masonry Structures, which governs the design and construction of concrete and clay masonry buildings. The Committee overseeing the 318 Code has 76 members, including architects, engineers and academics who spend approximately 8,572 person-hours annually developing the Code, or about $2 million of volunteer time. In addition, ACI administers a national training and certification program for concrete technicians, inspectors, and workers. ACI has registered its copyrights for all its documents, including its codes.

Although each of the *amici curiae* operates independently, some of their activities are interrelated when they set standards relating to different aspects of the same equipment. ASME, for example, focuses on the original design, manufacture, and construction of boilers and pressure vessels, while the National Board standards apply to installation, maintenance, and repair of the same equipment. National Board members serve on ASME code committees representing their jurisdictions' interests, and National Board staff employees also serve on ASME code committees representing general interests. ASME and ACI have jointly developed those portions of the BPVC relating to the design and construction of concrete reactor vessels and containments used in nuclear power plants.

2. **Copyright revenues.** Despite the extensive voluntary participation by experts in developing ASME's, ACI's, and the National Board's codes, these private, not-for-profit organizations incur significant expenses in connection with code development. These expenses are covered by revenue derived to a large extent from ASME's, ACI's and the National Board's publication and sale of these codes and standards. In the fiscal year ending June 30, 2001, the sale of ASME's copyrighted codes and standards generated one-third of ASME's total revenues. ACI's 318 Code generated ten percent of ACI's total revenues in 2001; all ACI codes and standards were responsible for one-third of ACI's total revenues. The National Board

likewise derives a significant portion of its revenue from the sale of its codes and standards. This revenue allows the National Board to continue to offer its extensive training program involving continuing education in various disciplines of the boiler and pressure vessel industry, to operate a pressure relief device testing laboratory and to maintain detailed records of all National Board registered boilers and pressure vessels. Absent the revenue generated by the publication of their codes and standards, the not-for-profit ASME, ACI and the National Board would be unable to support the drafting and maintenance of these uniform, expert codes. Their membership fees and other sources of revenue alone could not support the process.

3. **The creation of voluntary consensus standards.** ASME's codes and standards, the National Board's NBIC, and ACI's codes are all voluntary consensus standards. ASME, ACI and the National Board develop these codes through a consensus process by committees composed of several different interest groups — a process accredited by the American National Standards Institute.[5]

Three principles govern the creation and maintenance of voluntary consensus standards: openness, lack of dominance, and due process. Drafting and maintenance of the standards are open; any person who is directly and materially affected by a voluntary consensus standard may participate. To ensure that no single interest group dominates the drafting and maintenance of voluntary consensus standards, each organization has devised guidelines that require balance among the interested constituencies. For example, ASME prohibits any interest category (*e.g.*, manufacturer, designer/constructor, owner/operator, jurisdiction/enforcement agency) from constituting

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5. The American National Standards Institute is a private, non-profit organization that administers and coordinates the U.S. voluntary consensus standards system. The Institute's mission is to enhance both the global competitiveness of U.S. business and the U.S. quality of life by promoting and facilitating voluntary consensus standards systems, and safeguarding their integrity.

more than one-third of a committee dealing with safety. Finally, to provide due process, any person with a direct and material interest in a standard has a right to have his or her position considered by the committee during a period of public comment and has the right to appeal the committee's determination.

4. **Wide availability of *amici curiae*'s codes and standards.** Once a new version or revision of ASME's, the National Board's, or ACI's codes has been finalized through these voluntary consensus procedures, ASME, ACI or the National Board publishes and sells the new version or revision.

For example, a new version of ASME's entire BPVC, now 28 volumes, is published every three years, and ASME distributes updates annually. A company or practicing professional working in a specialized area covered by the BPVC may obtain a copy of the applicable volumes, as well as ASME's other codes and standards, in any of several ways. ASME distributes a catalog of its publications annually and publishes information about its codes and standards or its website at www.asme.org. Users of the BPVC may order a copy of pertinent volumes or the entire BPVC, in print or electronic format, by writing to ASME, calling a toll-free number, or sending a fax or e-mail. In jurisdictions where ASME is aware that the BPVC has been adopted by reference, ASME provides a complimentary copy of the BPVC to the relevant government entity. It is also generally available in university engineering libraries. Virtually no company or practicing professional uses the entire BPVC; for example, those not involved with nuclear facilities have no need for any of the eleven volumes relating to such facilities and those involved solely with unfired pressure vessels have no need for volumes relating to power or heating boilers. Recognizing that most users do not need the entire BPVC, ASME sells copies of separate specialized volumes of the BPVC, ranging in cost from $155 to $410. Other ASME codes and standards are similarly readily available to the specialized professional audiences that use them.

The NBIC and other National Board codes and regulations are sold at reasonable prices to anyone, but are purchased primarily by those in the industry. A print copy of the NBIC is available for $85, and a CD-ROM version is also available at a higher cost. Public access to these codes has been provided successfully in this way since 1919. Information relevant to the codes, updates, and supporting documents are available at the National Board website which is found at www.nationalboard.org. The National Board distributes approximately 10,000 copies of its codes each year.

Since 1956, major revisions of ACI's code documents have typically been completed every six years. ACI makes its codes available in both print and electronic formats, which can be purchased in technical and university bookstores as well as directly from ACI at its website, www.concrete.org. The 2002 version of ACI's Building Code Requirements for Structural Concrete comprises 443 pages and is available directly from ACI for $141.50 for non-members. ACI distributes approximately 12,000 copies of its codes each year.

5. **Widespread public and private use of codes and standards.** ASME's, ACI's, and the National Board's codes and standards are written for the benefit of many entities beyond their membership — some public, some private.[6] The codes and standards developed by ASME, ACI, and the National Board are followed widely, in part because of the significant contributions of the many experts who work to maintain them and because of the voluntary consensus procedures they employ. Insurance companies rely on the past safety records of equipment built to standards in writing insurance, resulting in lower premiums, which benefit insureds. Manufacturers use the codes and standards to develop and market standardized, safe products

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6. Reliance on the codes and standards is not confined only to the United States. ASME's BPVC is accepted in 80 countries worldwide. The National Board's NBIC is recognized worldwide and is indeed the only standard of its type with such recognition. ACI's 318 Code serves as the basis for building codes in several other countries.

that can be shipped into and used in all jurisdictions without the increased costs of modifying equipment to meet varying requirements.[7] Institutions that operate boilers and pressure vessels rely on the NBIC in connection with their maintenance, repair, and alteration. Concrete design, construction, and repair and maintenance professionals throughout the United States rely on ACI code requirements.

In addition to these private sector users, many government entities have chosen to take advantage of these expertly developed codes and standards. United States government agencies reference 89 ASME standards in the Code of Federal Regulations.[8] State and local governments also have adopted multiple ASME standards; for example, the New York Department of State references 54 ASME standards. The BPVC has been adopted, in whole or in part, as a regulatory requirement by 49 states and all Canadian provinces, is widely used by multiple agencies of the U.S. government, is accepted in more than 80 countries, and is used by manufacturers accredited under ASME's related conformity assessment program in 65 countries.

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7. The BPVC fosters interstate and international commerce because all U.S. and Canadian jurisdictions adopting the BPVC agree to accept equipment certified to have been built in compliance with it. In addition, 30 years ago ASME opened its BPVC conformity assessment program to manufacturers outside of North America and currently accredits manufacturers in 65 countries as being capable of producing equipment or components in compliance with specific BPVC sections.

8. Federal agencies and departments as varied as the Architectural and Transportation Barriers Compliance Board, the Department of Defense, the Department of Energy, the Department of Housing and Urban Development, the Department of the Interior, the Department of Transportation, the Environmental Protection Agency, the Mine Safety and Health Administration, the Nuclear Regulatory Commission, the National Aeronautics and Space Administration, the Occupational Health and Safety Administration, the U.S. Coast Guard, the U.S. General Services Administration, and the U.S. Postal Service reference ASME standards in their regulations and procurement procedures.

The NBIC is accepted in all 50 United States and all the Provinces of Canada, and by the U.S. Department of Transportation, which regulates, among other things, over-the-road pressure vessels that carry compressed gases on interstate highways. The laws of several states contain references to codes created by the National Board: many state accreditation programs require NBIC accreditation in order to implement repairs on nuclear plants; at least 35 states and two cities have laws with requirements for repair of safety relief devices; and at least 34 states and two cities have requirements for the repair of boilers and pressure vessels.

ACI's 318 and 530 Codes are adopted by reference by the state, county, and city building codes of all 50 states. All nuclear power facilities must have a license approved by the Federal Nuclear Regulatory Commission. These licenses reference ACI's 349 Code for the design and construction of safety-related concrete structures.

The private and government entities that use ASME's, ACI's, and the National Board's codes and standards benefit from the expertise that goes into developing them and from their widespread acceptance. The Fifth Circuit's decision threatens the near century of private and public cooperation that has fostered the development of these codes and standards and advanced public safety in commerce unhindered by jurisdictional barriers. Without these uniform codes and standards, all of these entities would face the same intolerable chaos boiler manufacturers faced before 1915.

REASONS FOR GRANTING THE PETITION

I. The Fifth Circuit's Decision Jeopardizes Public Safety

The Fifth Circuit's decision, if allowed to stand, would jeopardize the safety of people who live, work, and play in buildings constructed with concrete or that contain boilers or pressure vessels — namely the entire public. Over the last century, private entities such as ASME, ACI, and the National Board, and public entities have cooperated to develop and implement codes and standards that promote safety and

streamline commerce. This system of code development and implementation has been sustained by the revenue derived from the authors' copyrights.

The Fifth Circuit's decision would deprive private non-profit entities such as ASME, ACI, and the National Board of the copyright of any code or standard when it is adopted by any governmental entity. It would thus permit unlimited third-party publication, including free worldwide distribution on the Internet. As a result, the code and standards-setting organizations would lose the revenue earned from sales of copies of those codes. The revenues generated by these endangered copyrights cover the expenses incurred in developing and maintaining these codes. Without those revenues, these not-for-profit codes and standards-writing organizations would no longer be able to develop and maintain their codes and standards.

Absent the efforts of private code-drafting organizations, the federal government, states, and municipalities would be faced with the daunting task of developing their own codes and standards for boilers, pressure vessels, concrete structures, as well as numerous other items. Although these governmental entities may have an adequate incentive to produce these codes — namely the obligation to ensure the safety of their constituents — they would be unable to deploy the same extensive resources as organizations created by experts in the field for this purpose, such as ASME, ACI, and the National Board. Private code-drafting organizations whose codes are widely followed are able to spread the costs of code development among users throughout the world; individual jurisdictions may not be able to share costs so efficiently. Nor would individual jurisdictions be able to collect the breadth of expert input achieved by private national entities. Moreover, codes developed by political bodies are likely to be subject to lobbying efforts of interested parties. They are less likely to have the benefits of the voluntary consensus procedures followed by ASME, the National Board, and ACI, which are specifically designed to provide the best technical solutions without dominance by any one interested party.

The end result would likely be a multitude of local codes and standards that are devised with less expert care and with more attempts by interested parties to enact codes that benefit their private interests rather than the public at large. As the House Report on the National Technology Transfer and Advancement Act recognized, "[t]his unique consensus-based voluntary system has served us well for over a century and has contributed significantly to United States competitiveness, health, public welfare and safety." H.R. REP. No. 104-390, at 24 (1996) *reprinted in* 1996 U.S.C.C.A.N. 493, 510. The Fifth Circuit's decision stands poised to undo these significant contributions to public welfare and safety by depriving voluntary consensus standard-writing organizations of the economic incentive for drafting codes and standards — their copyright revenues.

II. The Fifth Circuit's Decision Ignores the Purpose and Plain Language of the Copyright Act, Creates a Split Among the Circuits, and Would Lead to Non-Uniform Standards Nationwide.

A. The Fifth Circuit's Decision Ignores the Purpose and Plain Language of the Copyright Act.

The Copyright Act encourages the creativity of authors by granting them an economic incentive in the form of a copyright for a limited period of time. *See* 17 U.S.C. § 106 (1994). No one disputes that ASME, ACI, the National Board and similar organizations acquire copyrights in their codes and standards; these organizations are authors of the original expression embodied in their codes and standards and are entitled to the lawful monopoly created by the Copyright Act in furtherance of the goal of the Constitution's Copyright Clause. U.S. CONST. art. I, § 8, cl. 8.

The revenues generated by ASME's, ACI's and the National Board's publication of their copyrighted codes and standards provide these not-for-profit organizations the economic support to create and maintain their codes and standards. The revenues generated by ASME's copyrights constitute one-third of ASME's total annual revenues. Likewise, revenue generated from the

sale of the National Board's NBIC is significant and fundamental to its operations. ACI's copyrights are the basis for one-third of ACI's total annual revenues. The Copyright Clause of the Constitution and the Copyright Act were adopted to create precisely this result. "The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors. . . ." *Mazer v. Stein*, 347 U.S. 201, 219 (1954). ASME's, ACI's, and the National Board's copyrights encourage the creative work of these organizations and thereby advance public welfare, just as the Copyright Clause envisioned.

The Fifth Circuit's decision would strip petitioner and other code-writing organizations such as ASME, ACI, and the National Board of the copyrights in their codes and standards. Under the Fifth Circuit's holding, when the federal government, a state, or municipality adopts into its laws or regulations a private, non-profit entity's codes or standards, that entity would lose its copyrights in those referenced codes and standards; the codes and standards would enter the public domain. Pet. App. 14a. Because ASME's, ACI's or the National Board's codes are incorporated by reference in federal regulations and in the statutes of all the states, the Fifth Circuit's ruling threatens their copyrights. As a result of the loss of income from their copyrights, ASME, ACI, the National Board and similar organizations would be forced to discontinue their code drafting and maintenance. The economic incentive created by the Copyright Act would no longer be available to them as a result of governmental adoption and the Fifth Circuit's decision.

The Fifth Circuit states that because codes and standards are developed so that they may be used by governments, the private, non-profit code writing organizations that develop them are not entitled to their copyrights. Pet. App. 25a. This statement is doubly flawed. First, codes and standards are not written solely for adoption by government entities. They are also intended

for use by the private sector to facilitate uniform design, construction, and inspection.

Second, although many standards-setting organizations promote the adoption of their codes by government entities, they do not thereby authorize governmental expropriation of their copyrights. Indeed, in some instances, jurisdictions reference privately authored codes without securing permission from, or even notifying, the code author.[9] And ACI's 318 Code is normally not adopted by a government's direct reference to the 318 Code, but rather because the 318 Code is referenced in a privately drafted model building code (such as petitioner's building code) that is in turn referenced by a government.

The Fifth Circuit's ruling dismisses the Copyright Act's plain language that

> When an individual author's ownership of a copyright, or of any of the exclusive rights under a copyright, has not previously been transferred voluntarily by that individual author, *no action by any governmental body or other official or organization purporting to seize, expropriate, transfer, or exercise rights of ownership* with respect to the copyright, or any of the exclusive rights under a copyright, *shall be given effect* under this title, except as provided under [the Bankruptcy Act].

17 U.S.C. § 201(e) (1994) (emphasis added); Pet. App. 21a. None of the *amici curiae* has ever voluntarily transferred the copyrights or any of the exclusive copyright rights in their codes or standards. Thus, the plain language of the statute itself directly forbids the kind of expropriation of copyright — loss of copyrights by governmental adoption — that the Fifth Circuit's ruling endorses.

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9. Florida referenced the 1996 version of ASME's Elevator and Escalator Code, even though a 2000 version was available. ASME learned of the Florida's reference only by observing the steady stream of sales of the 1996 version to Floridians.

Finally, the Fifth Circuit also failed to consider the constitutional limits on government expropriation established by the Takings Clause. U.S. CONST. amend. V, cl. 5. If a governmental entity's adoption by reference of a privately written code results in the loss of the author's copyright, as the Fifth Circuit has concluded, it unquestionably results in a "taking" of the property rights granted by the Copyright Act to the code author. *See CCC Info. Serv., Inc. v. Maclean Hunter Mkt. Reports, Inc.*, 44 F.3d 61, 74 (2d Cir. 1994) ("For example, a rule that the adoption of such a reference by a state legislature or administrative body deprived the copyright owner of its property would raise very substantial problems under the Takings Clause of the Constitution."). This constitutional issue could have been avoided had the Fifth Circuit ascertained whether it was "fairly possible," as it surely is, to construe the Copyright Act so as to avoid a taking. *United States v. Security Indus. Bank*, 459 U.S. 70, 78 (1982).

B. The Fifth Circuit's Decision Creates a Conflict Among the Circuits.

The Fifth Circuit's decision to deprive private code-drafting entities of their copyrights upon reference by a government entity conflicts directly with decisions of the Second and Ninth Circuits, which confirmed the rights of private entities such as ASME, ACI, and the National Board to maintain and enforce their copyrights.[10]

The *en banc* majority of the Fifth Circuit disregarded the Copyright Act's purpose of creating an incentive for authors in the form of a copyright in their work. Claiming to rely on *Banks v. Manchester*, 128 U.S. 244 (1888), the *en banc* majority held that even where a private entity authors a code, once the code is

10. In *Building Officials & Code Adm. v. Code Technology, Inc.*, 628 F.2d 730, 735 (1st Cir. 1980), on which the Fifth Circuit also relied, the court explained that it could not say with "any confidence that the same policies applicable to statutes and judicial opinions may not apply to" privately authored codes. However, the court explicitly refused to make a final ruling on the issue at the preliminary injunction stage. *Id.* at 736.

adopted in federal, state, or local statutes or regulations, the privately authored code becomes "the law" and loses its copyright. Pet. App. 15a. But *Banks* recognized the importance of incentives to copyright. This Court, in holding that "no copyright could, under the statutes passed by congress, be secured in the products of the labor done by judicial officers in the discharge of their duties," relied on the fact that judges are paid from the public treasury and therefore "have no pecuniary interest . . . in the fruits of their judicial labors." *Id.* at 253; *see also Practice Mgmt. Info. Corp. v. Am. Med. Ass'n*, 121 F.3d 516, 518, *amended on other grounds*, 133 F.3d 1140 (9th Cir. 1998) (noting that *Banks* rests in part on the ground that the public owns judicial opinions because the public pays the judges' salaries). The *en banc* majority of the Fifth Circuit gave no weight to this factual distinction between *Banks* and this case — that private, non-profit entities such as *amici*, unlike the publicly paid judges in *Banks*, do have a pecuniary interest in the codes and standards they create.

The *en banc* majority of the Fifth Circuit instead focused on language in *Banks* that suggested that judicial opinions should be "free for publication to all." Pet. App. 9a-11a. Reading a right to freely access and copy the law — without cost — into this language, the *en banc* majority found that references to privately authored codes were inconsistent with this right if the privately authored codes retained their copyrights. Therefore, the court held that such codes enter the public domain when they are referenced by governmental entities. Pet. App. 14a.

The Ninth and Second Circuits have not embraced the Fifth Circuit's reading of *Banks*. In *Practice Management*, 121 F.3d at 518, the Ninth Circuit considered the Physician's Current Procedural Terminology ("CPT"), a coding system for medical procedures created by the American Medical Association. In 1977, the federal Health Care Financing Administration ("HCFA") adopted regulations requiring applicants for Medicaid reimbursement to use the CPT. The plaintiff in *Practice Management* argued that, under *Banks*, the CPT entered the

public domain when HCFA required its use by regulation. The district court and the Ninth Circuit disagreed and held that federal adoption of the CPT did not result in forfeiture of the copyright because such a result would "'prove destructive of the copyright interest,' in encouraging creativity." *Id.* (quoting 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 5.06[C], at 5-92 (1996) ("NIMMER")). The Ninth Circuit also noted that there was "no evidence that anyone wishing to use the CPT has any difficulty obtaining access to it." *Id.* at 519.

The Second Circuit in *CCC Information Services* similarly declined to hold that a book of automobile valuations was stripped of its copyright when several states required insurance companies to use the valuations to determine minimum payments for the "total loss" of a vehicle. 44 F.3d at 74. Like the Ninth Circuit, the Second Circuit reasoned that such a loss of copyright would be "antithetical to the interests sought to be advanced by the Copyright Act." *Id.* (citing NIMMER § 5.06[C] at 5-60).[11] The Fifth Circuit, by ignoring the Copyright Act's purpose of creating an economic incentive for authors, contrary to the decisions of the Second and Ninth Circuits, has created chaos in the law.

The Fifth Circuit's decision has also led to uncertainty in the law by creating a right to freely access and copy the law without cost. Access to the law has never before been construed to mean access without cost. Just as there is no evidence that cost prevented respondent from gaining access to the SBCCI code at issue in the instant case, cost does not prevent anyone from gaining access to ASME's, ACI's, or the National Board's codes and standards. ASME's, ACI's and the National Board's

11. Further compounding the split among the courts of appeals is the fact that these courts do not all analyze the merger doctrine, one of respondent's copyright defenses, the way the Fifth Circuit did below. *Compare* the Fifth Circuit's approach, Pet. App. 16a-20a (treating merger as part of the analysis of copyrightability), *with Hart v. Dan Chase Taxidermy Supply Co.*, 86 F.3d 320, 322 (2d Cir. 1996), *CCC Info. Serv.*, 44 F.3d at 72 n.26, *and Kregos v. Assoc. Press*, 937 F.3d 700, 705 (2d Cir. 1991) (treating merger as part of the analysis of infringement).

codes are widely available for purchase on their websites, by telephone and by mail. They are also available for reading and copying at technical and university engineering libraries and government offices. Although not articulated, respondent is not really complaining that he was deprived of the ability to gain access to and use SBCCI's Building Code. Indeed the record shows that he had no difficulty buying a copy from SBCCI for himself. Instead, he is claiming the right to compete with SBCCI as a publisher of the code by posting it on his website.

C. The Fifth Circuit's Decision Will Lead to A Lack of Uniform Standards, Interfering With Interstate Commerce.

Congress has directed federal agencies and departments to use voluntary consensus standards such as those created by *amici*. *See* National Technology Transfer and Advancement Act of 1995, Pub. L. No. 104-113 § 12(d), 110 Stat. 775, 782 (1996) (noted in Historical and Statutory Notes, 15 U.S.C.A. § 272 (West 1997)). Following that directive, the Office of Management and Budget pointed out that voluntary consensus standards "[e]ncourage long-term growth for U.S. enterprises and promote efficiency and economic competition through harmonization of standards." OMB Circular No. A-119, 63 Fed. Reg. 8545, 8554 (revised 1998), available at www.whitehouse.gov/omb/circulars/a119/a119.html.[12] The decision of the *en banc* majority of the Fifth Circuit, if allowed to stand, will undermine the efficiency of interstate commerce, the benefits to public welfare created by these harmonized codes, and the codes and standards-writing organizations, such as *amici*, whose efforts have fostered those benefits.

Without national organizations such as ASME, ACI, and the National Board to promulgate and maintain codes and

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12. The OMB circular expressly directs federal agencies: "If a voluntary standard is used and published in an agency document, your agency must observe and protect the rights of the copyright holder and any other similar obligations." 63 Fed. Reg. 8545, 8555 (revised 1998).

standards, the federal government, states, and localities will be forced to create and update their own codes and standards for, among other things, the construction and maintenance of boilers, pressure vessels, concrete structures, and myriad other equipment such as elevators and escalators. Because each governmental entity will be forced to create its own codes, the codes could vary from state to state, county to county, and even town to town.

A Maryland manufacturer making a component for an electrical power generation plant that meets Maryland specifications could not be sure that the same component would comply with the specifications adopted by neighboring Virginia without further inspection, let alone know whether it would comply with the codes of the other 48 states. An architect in Anna, Texas might have to learn a different code for concrete structures if he or she wanted to design a structure to be built just a few miles away in Savoy. Similarly, a concrete column, slab, or beam that satisfied the strength requirements in California might be deemed inadequate in Arizona. And the lack of uniform standards would leave the insurance industry without benchmarks upon which to base premiums. But the Fifth Circuit decision would nonetheless deprive codes and standards writing organizations of copyright revenues necessary to continue their valuable work.

The inability to conduct business across jurisdictions was one of the primary reasons for the creation of the Boiler Code almost a century ago. As the introduction to the final 1914 drafts of ASME's first Boiler Code recognized, inconsistent laws and regulations of boilers from one area to another made interstate shipment of parts at that time almost impossible, creating "intolerable confusion." [13] Today manufacturers are able to design and manufacture products that conform with the BPVC and ship them to all 50 United States, Canada, and more than 80 other countries where the BPVC is accepted. Because insurance companies know the performance records of

13. CROSS, *supra* note 2 at 41.

equipment manufactured according to code and inspected by authorized inspectors, they can better assess the likelihood of loss and decrease the cost of insurance. Because of the wide adoption of ACI's 318 Code, architects and designers of concrete structures are able to design in many jurisdictions without studying multiple standards. The Fifth Circuit's decision not only creates chaos on an important issue of law by initiating a split among the circuits, it also would create chaos in industry and commerce by thwarting the efficiency and economic competition that the system of harmonized codes has created throughout the last century.

CONCLUSION

Amici urge this Court to grant petitioner's petition for a writ of certiorari and reverse the judgment below.

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IN THE

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SOUTHERN BUILDING CODE CONGRESS INTERNATIONAL, INC.,
Petitioner,

v.

PETER VEECK D/B/A REGIONAL WEB,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

BRIEF OF *AMICI CURIAE* THE ASSOCIATION OF AMERICAN PHYSICIANS & SURGEONS, INC. AND EAGLE FORUM EDUCATION & LEGAL DEFENSE FUND IN SUPPORT OF RESPONDENT

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IN THE

Supreme Court of the United States

No. 02-355

SOUTHERN BUILDING CODE CONGRESS INTERNATIONAL, INC.,
Petitioner,

v.

PETER VEECK D/B/A REGIONAL WEB,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

BRIEF OF *AMICI CURIAE* THE ASSOCIATION OF AMERICAN PHYSICIANS & SURGEONS, INC. AND EAGLE FORUM EDUCATION & LEGAL DEFENSE FUND IN SUPPORT OF RESPONDENT

INTEREST OF *AMICI CURIAE* [1]

The Association of American Physicians & Surgeons, Inc. ("AAPS") is a non-profit organization dedicated to defending free enterprise in medicine. Founded in 1943, AAPS has thousands of physician members in all specialties and is one

[1] This brief is filed with the written consent of all parties. No counsel for a party authored this brief in whole or in part, nor did any person or entity, other than *amici*, its members, or its counsel make a monetary contribution to the preparation or submission of this brief.

of the largest national physician organizations funded nearly entirely by membership. Its motto is "omnia pro aegroto," which means "all for the patient." Members of AAPS, like most physicians, must comply with the legally mandated Current Procedural Terminology ("CPT") medical codes, which are developed and controlled by the American Medical Association ("AMA"). The AMA attempts to prevent others from electronically posting and criticizing the CPT medical codes that physicians must use when billing for services under Medicare and other government programs, because the AMA asserts a copyright on the codes. This frustrates access to the CPT codes and meaningful debate about them. In the case of the CPT billing requirements, a restatement of its absurd complexities and ambiguities, replete with criminal sanctions for violations, would itself constitute a powerful criticism of the government requirements. AAPS objects to restrictions on access to and debate over the CPT which are sought by the AMA, and the distorting effect that has on the practice of medicine. AAPS opposes the Petition in order to ensure that AAPS members and others have unrestricted access to legal requirements.

Eagle Forum Education and Legal Defense Fund ("EFELDF") is a nonprofit organization founded in 1981. It is dedicated in part to promoting greater public access to and scrutiny of laws and governmental records, including information relating to medicine, education and government-funded research. EFELDF objects to censorship of public debate about legal requirements, and opposes the Petition so that the public may have full access to legal requirements.

Amici have a direct and vital interest in the issues presented to this Court with respect to restrictions on access to laws, regulations and governmental records.

SUMMARY OF ARGUMENT

The decision below is entirely consistent with the other Circuits, and is compelled by controlling Supreme Court precedents. *Veeck v. Southern Bldg. Code Cong. Int'l, Inc.*, 293 F.3d 791 (5th Cir. 2002) (*en banc*). There is no conflict here that could justify a writ of certiorari. The judgment below comports with the First and Ninth Circuits, and the Second Circuit has yet to address the issue of model codes. Indeed, every decision addressing private assertion of ownership of the law has reached the same conclusion as the Fifth Circuit: no one can own the law and prevent its publication by others. This Court, in *Banks v. Manchester*, established as much over one hundred years ago, and the Fifth Circuit properly applied it below. 128 U.S. 244 (1888). A real conflict has not arisen on the questions presented.

Petitioner Southern Building Code Congress International, Inc. ("SBCCI") misreads the decision below in arguing that it is born out of "due process." It is not. The Fifth Circuit *en banc* eschewed any reliance on due process. The second of Petitioner's Questions Presented posits a factual inquiry of reasonableness of its terms of access, but that has no bearing on the threshold issue of whether it can restrict access at all. Petition for a Writ of Certiorari ("Pet.") at (i). A private power to restrict and exclude access to the law cannot be justified based on SBCCI's claim that it will not fully exercise such power.

Petitioner's other question for review is likewise inadequate. It implies that "organizations that create copyrighted model codes and standards [should not be] divested of their rights" by imposition of their codes by law. *Id.* But the court below did not divest SBCCI of any cognizable "rights". There are no legitimate rights in controlling access to law and censoring others who, like Respondent Veeck, exercise free speech in publicizing it. Moreover, SBCCI admits in its Petition that it "encourages

governments to *adopt* its codes." *Id.* at 14 (emphasis in original). Lobbyists cannot urge passage of laws and then also insist on controlling publication of those same laws for financial gain.

Petitioner seeks an entitlement for what it calls "financial rights," and predicts disaster if standards-setting organizations cannot stop others from publicizing the law. *Id.* at 23, 27. There is nothing in the record to support this forecast of implausible doom, and it is unripe for review now by this Court. SBCCI and similar organizations affirmatively lobby government to endow their codes with force of law for their benefit, and they can hardly complain that their windfall may not be as great as they like. At best, they are officious lobbyists, with no greater claim to an entitlement than an officious intermeddler has under contract law—which is nil. SBCCI's claim that it suffered an involuntary transfer of copyright in the codes is unsupported by the facts.

ARGUMENT

No court has held that a private entity may own the law. The Petition does not, and cannot, cite any meaningful conflict in support of certiorari. While the rationales among the Circuits have slightly varied, their outcomes have been the same: no claim of private ownership of the law can suppress restatement of it by another. The Petition should be denied.

Petitioner errs in arguing that the Copyright Act somehow entitles SBCCI to censor Respondent Veeck's restatement of the law. The Act does not allow a private organization like SBCCI to impose restrictions on access and publication of the law. Veeck, like all citizens, enjoys the free speech right to restate the law, and the Fifth Circuit *en banc* construed and applied the Act correctly.

Nor did the Fifth Circuit "cavalierly" dismiss Petitioner's claim to "financial rights," which constitutes little more than corporate welfare for lobbyists. Of course SBCCI and numerous *amici* want this Court "to protect the financial interest of" their businesses by "maintaining the revenue stream necessary to support their activities." Pet. at 27. But that argument is baseless. There are no facts to support SBCCI's claim that its monopoly rents are "necessary" or efficient, and both economic and policy considerations militate against private ownership and control of the law.

I. THE DECISION BELOW IS CONSISTENT WITH OTHER CIRCUITS AND THIS COURT.

The Fifth Circuit *en banc* surveyed the other Circuits and held in harmony with them. Its ruling is virtually identical to that of the First Circuit on similar facts. The Ninth Circuit, for its part, rendered an identical judgment in an analogous case, albeit with divergent dictum. The Second Circuit has yet to address comparable facts. Moreover, the Fifth Circuit dutifully applied the controlling precedents of this Court.

The case closest to the one at bar arose in the First Circuit. *Building Officials and Code Adm. v. Code Technology, Inc.*, 628 F.2d 730 (1st Cir. 1980) ("*BOCA*"). There the court vacated a preliminary injunction preventing the defendant from distributing copies of a building code analogous to the codes at issue here. "The citizens are the authors of the law, and therefore its owners, regardless of who actually drafts the provisions, because the law derives its authority from the consent of the public, expressed through the democratic process." *Id.* at 734. Likewise, the court below held that no one can own the law.

The next closest case arose in the Ninth Circuit, which held that the American Medical Association (AMA) cannot interfere with third-party publication of its coding system for medical procedures. *Practice Management Info. Corp. v.*

American Medical Ass'n, 121 F.3d 516 (9th Cir.), *cert. denied*, 522 U.S. 933 (1997), *modified*, 133 F.3d 1140 (9th Cir. 1998). There, as here, the code developer (the AMA) induced government to require its codes, and then sought to restrict publication by others. There, as here, the court ruled against the putative owner of the law, declaring that "the AMA misused its copyright" by inducing the government to mandate it exclusively. 121 F.3d at 520. Accordingly, the copyright was unenforceable against a rival publisher seeking to sell the mandated codes. *Id.* at 521. This result was thus identical to the outcome in this case: the developer of government-mandated codes cannot prevent their publication by others.

Against these consistent judgments, Petitioner nevertheless attempts to gin up a conflict. SBCCI largely ignores the *BOCA* decision, and attempts to distinguish the Ninth Circuit decision by declaring that "incorporation into law did not extinguish the AMA's copyright." Pet. at 11. But the Ninth Circuit did hold such copyright to be unenforceable, the essential point here. Its judgment was against the AMA, and the judges' discussion of copyright in the abstract was dicta. The unenforceable copyright established in *Practice Management* provides no meaningful support for the Petition here.

Petitioner ultimately relies on a Second Circuit decision, which did not concern legally mandated codes. *CCC Info. Servs., Inc. v. Maclean Hunter Market Reports, Inc.*, 44 F.3d 61 (2d Cir. 1994), *cert. denied*, 516 U.S. 817 (1995). There the court upheld copyright enforceability for a price list used as a permissible minimum for insurance reimbursement, known as the "Red Book." A statutory reference to an allowed floor for private insurance payments is a far cry from the comprehensive mandate for the codes here. "This case does not involve references to extrinsic standards. Instead, it concerns the wholesale adoption of a model code promoted

by its author, SBCCI, precisely for use as legislation." 293 F.3d at 804. The *CCC* court treated the price list, which has a market independent of government regulation, like an assigned book in a school curriculum, neither of which is predominantly governmental like building safety codes. 44 F.3d at 74. Also, the full compulsion of law is lacking for school books and price lists, in contrast to the building safety codes at issue here.[2]

All of these Circuit decisions adhere to the basic teaching of *Banks v. Manchester*, 128 U.S. 244 (1888), as did the Fifth Circuit *en banc*. "[T]he authentic exposition and interpretation of the law, [] binding every citizen, is free for publication to all, whether it is a declaration of unwritten law, or an interpretation of a constitution or statute." *Id.* at 253. That was a faithful extension of *Wheaton v. Peters*, which established that "no reporter has or can have any copyright in the written opinions delivered by this court; . . . the judges thereof cannot confer on any reporter any such right." 33 U.S. 591, 668 (1834). The court below correctly held that "we read *Banks*, *Wheaton*, and related cases consistently to enunciate the principle that 'the law,' whether it has its source in judicial opinions or statutes, ordinances or regulations, is not subject to federal copyright law." 293 F.3d at 800. There is no conflict justifying certiorari here.

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[2] Petitioner also relies on *County of Suffolk v. First Am. Real Estate Sol'ns*, 261 F.3d 179 (2d Cir. 2001). That decision is inapposite because the tax maps at issue "do not create the legal obligation," in contrast to the codes here. 261 F.3d at 195.

II. THE FIFTH CIRCUIT *EN BANC* PROPERLY APPLIED THE COPYRIGHT ACT, AND ITS JUDGMENT COMPORTS WITH FREE SPEECH.

"Imagine how different things would be," observes a commentator cited by Petitioner, "if James Madison could collect royalties from all those who would reprint his august constitutional words." Robert Kry, Case Note, *The Copyright Law*, 111 Yale L.J. 761 (2001). This vision is already being pursued by some who claim to have created phrases used in statutes. The Constitution can only be expressed in one way, and no copyright can exist on those words. Likewise, "[t]he building codes of Anna and Savoy, Texas can be expressed in only one way; they are facts. Respondent Veeck placed those facts on his website in precisely the form in which they were adopted by the municipalities." 293 F.3d at 802. The court below properly applied the Copyright Act, and its ruling comports with free speech.

A. The Petition Fails to Identify any Misconstruction of the Copyright Act.

The Petition declares that "[f]rom the earliest days of the Republic, Congress has protected the rights of copyright holders." Pet. at 12. But neither Congress nor the courts have embraced private ownership or control of the law.

Petitioner appeals to the statutory prohibition against involuntary transfer. Pet. Br. at 13-14 (quoting 17 U.S.C. § 201(e)). But as the Fifth Circuit *en banc* observed, there is nothing "involuntary" about how "SBCCI urged localities to adopt its model codes." 293 F.3d at 803. SBCCI admits in its Petition that it lobbied for adoption of its codes that, unlike the "Red Book" in *CCC Info. Servs.*, would be virtually worthless in the absence of the legal mandates. Pet. Br. at 14; 44 F.3d at 63-64. Accordingly, the Fifth Circuit was entirely correct in finding that "[t]he issue in the case is not the

voluntariness of the appropriation but the legal consequences flowing from the permission that SBCCI gave." 293 F.3d at 803. Like the officious intermeddler in contract law, SBCCI cannot claim entitlement from its lobbying. *See, e.g.*, Restatement of Restitution § 2 (1937) ("A person who officiously confers a benefit upon another is not entitled to restitution therefor.").

Petitioner next relies on language in federal statutes and regulations encouraging agencies to be solicitous of copyrights when using or publishing private work. Pet. 14-16. These salutary guidelines, however, have no bearing on republication of actual laws. The Copyright Act expressly denies any copyrights for federal statutes and laws, and this prohibition presumably applies to states also. "[S]tate statutes, no less than federal statutes, are regarded as being in the public domain." 1 Melville B. Nimmer & David Nimmer, Nimmer on Copyright §5.06[c] at 5-92 (2000). The court below noted that "Justice Harlan, riding circuit, denied an injunction sought for the compiler of Michigan statutes, holding that 'no one can obtain the exclusive right to publish the laws of the state in a book prepared by him.'" 293 F.3d at 796 n.4 (quoting *Howell v. Miller*, 91 F. 129, 137 (6th Cir. 1898)).

Petitioner then criticizes a due process right to access the codes, without realizing that the court below never created or relied on a due process right. The court below emphasized that:

> *Banks* does not use the term 'due process.' There is also no suggestion that the *Banks* concept of free access to the law is a factual determination or is limited to due process, as the term is understood today. Instead, public ownership of the law means precisely that 'the law' is in the 'public domain' for whatever use the citizens choose to make of it. Citizens may reproduce copies of the law for many purposes, not only to guide their actions but to

> influence future legislation, educate their neighborhood association, or simply to amuse. If a citizen wanted to place an advertisement in a newspaper quoting the Anna, Texas building code in order to indicate his dissatisfaction with its complexities, it would seem that he could do so. In our view, to say, as *Banks* does, that the law is 'free for publication to all' is to expand, not factually limit, the extent of its availability.

293 F.3d at 799.

Petitioner ultimately relies on its asserted generosity in making "a copy of the materials accessible on a reasonable basis." Pet. at 19. Such beneficence could end immediately, of course, were this Court to rule for SBCCI. Petitioner posits that a defense of "fair use" would protect violation of the copyright in those circumstances, though only for those who reproduced the codes for personal use. *Id.* at 21.

These "safety valves," as Petitioner puts it, are plainly inadequate. SBCCI and similar organizations have every incentive to restrict access and increase costs once they successfully lobby governments to mandate their codes. By censoring publication on the internet, SBCCI and others can effectively thwart access even for personal use. Moreover, SBCCI's approach does nothing to respect the free speech right of Veeck and other citizens to restate the law and encourage public scrutiny of it. "The arena of public debate would be quiet, indeed, if a politician could copyright his speeches or a philosopher his treatises and thus obtain a monopoly on the ideas they contained. **We should not construe the copyright laws to conflict so patently with the values that the First Amendment was designed to protect."** *Lee v. Runge*, 404 U.S. 887, 892-93 (1971) (Douglas, J., dissenting from denial of certiorari) (citation omitted, emphasis added).

Petitioner's allusion to school textbooks and the Bluebook are inapposite because they are not promulgated as laws, as were the codes at issue here. The Fifth Circuit *en banc* put it best:

> We emphasize that in continuing to write and publish model building codes, SBCCI is creating copyrightable works of authorship. When those codes are enacted into law, however, they become to that extent 'the law' of the governmental entities and may be reproduced or distributed as 'the law' of those jurisdictions.

293 F.3d at 802. The law can only be expressed accurately in one way: the way it is written. Veeck merely published those facts constituting the law.

B. Respondent Veeck Has a Free Speech Right to Post the Law.

All citizens, including Respondent Veeck, have a fundamental free speech right to restate the law. "An unconditional right to say what one pleases about public affairs is what I consider to be the minimum guarantee of the First Amendment." *New York Times v. Sullivan*, 376 U.S. 254, 297 (1964) (Black, J., concurring). The law itself is central to "public affairs" and the operation of government. "Criticism of government is at the very center of the constitutionally protected area of free discussion." *Rosenblatt v. Baer*, 383 U.S. 75, 85 (1966).

Legal requirements, like the codes at issue here, constitute government speech which all have a right to hear. Freedom to receive information is a First Amendment right, which requires vigilance to protect. *See Martin v. City of Struthers*, 319 U.S. 141, 143 (1943) ("This freedom [of speech and press] . . . necessarily protects the right to receive . . . ."). This remains true regardless of who developed the building codes here. "Government by secrecy is no less destructive of democracy if it is carried on within

agencies or within private organizations serving agencies." *Forsham v. Harris*, 445 U.S. 169, 190 (1980) (Brennan, J., dissenting). The public's interest includes "anything which might touch on an official's fitness for office." *Garrison v. Louisiana*, 379 U.S. 64, 77 (1964). The building codes are directly related to government policy, and are even the product of government decisions for which public officials must be accountable. *See Buckley v. Valeo*, 424 U.S. 1, 14 (1976) ("a major purpose of th[e First] Amendment was to protect the free discussion of governmental affairs") (quotations omitted); *Grosjean v. American Press Co.*, 297 U.S. 233, 250 (1936) (noting the preparation of "the people for an intelligent exercise of their rights as citizens").

A goal of the First Amendment is to promote "an informed and educated public opinion with respect to a matter which is of public concern." *Thornhill v. Alabama*, 310 U.S. 88, 104 (1940). Inherent in this goal is an informed public about the laws themselves. The First Amendment guarantees "unconditional freedom to criticize the way such public functions are performed," and the public cannot effectively criticize what it cannot efficiently access. *Rosenblatt*, 383 U.S. at 94 (Black, J., concurring in part and dissenting in part).

For building safety codes, the adverse effect of restrictions on access is particularly egregious. There is a compelling state interest in maximizing public compliance with building safety code requirements. Lives are saved through public reporting and subsequent correction of building safety violations. The more efficient the public access to these codes is, the greater the compliance will be. Public posting of those codes on the internet would inevitably result in alert citizens identifying safety violations and demanding their correction. Tragic loss of life in building fires could be minimized if the public were more informed about building safety codes and timely evacuation procedures. The need for

public access to Medicare coding procedures through the CPT, controlled by the AMA, is likewise compelling.

III. PETITIONER'S ARGUMENT FOR PROTECTION OF ITS "FINANCIAL RIGHTS" IS ENTIRELY SPECULATIVE AND UNRIPE, AND LACKS LEGAL OR ECONOMIC JUSTIFICATION.

The Petitioner lacks ripeness to allege future economic harm from the decision below. To date, there is no proven harm to SBCCI, and there may never be any. Even if harm were likely, this Court should not grant special protection for "financial rights" of SBCCI.

The entire second half of the Petition—Points II.A and II.B—fails to cite a single decision or meaningful evidence. It consists entirely of speculation unripe for review. The Supreme Court is obviously not the place to address such commercial forecasts. If any of Petitioner's speculation materializes, then only the lower courts could be the proper venues for addressing them in the first instance.

A. Petitioner's Speculation About Future Harm is Unripe for Review.

Petitioner's hyperbole lacks any evidentiary support in the record. For example, SBCCI insists that "[t]he Fifth Circuit's ruling would devastate the operations of drafters not only of model building codes, but those of myriad other standards-setting entities." Pet. at 23. Its factual basis? Petitioners merely cite the filing of *amicus* briefs by organizations who, naturally, oppose any risk of decline in their revenue. *Id.* Mere speculation does not ripen an issue for review by this Court. *See, e.g., Lujan v. Defenders of Wildlife*, 504 U.S. 555, 567 (1992) (denying standing to "pure speculation").

There is simply no evidence for the claim of fiscal calamity by SBCCI. "SBCCI's factual 'evidence' on this point

consisted of self-serving affidavits from its officers and employees, and proof that it earns perhaps 40% of its revenue from sales of the domestic model codes and amendments. No effort was made to show by what amount copying by people like Veeck would or could reduce the organization's revenue." 293 F.3d at 805 n.21. The Petition does nothing to remedy this deficiency. SBCCI presents a factual issue without any factual basis.

Reflecting the enormously lucrative business of controlling legally mandated codes, SBCCI recently announced a merger with another coding group and with BOCA, the unsuccessful plaintiff in the *BOCA* decision discussed in Part I above.[3] They boast that "[m]ore than 97% of U.S. cities, counties and states that adopt model codes choose building and fire codes created by the three building safety groups that make up" the new entity.[4] The Petition apparently attempts to supplement this monopoly control of the codes with ownership of the law itself.

At best, SBCCI's unsubstantiated fears of revenue loss constitute legal posturing. But even if true, any future revenue decline may reflect improved market efficiency. A decline in SBCCI revenue may represent cost savings for governments, citizens and others. Such decline might also result from wider, low-cost dissemination of the safety codes, saving lives as a more educated public recognizes violations and hazards.

SBCCI surely dislikes the public scrutiny that will result from posting its codes on the internet for all to see and

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[3] "One United ICC by 2003: Learn Why BOCA, ICBO and SBCCI Decided to Integrate," *http://www.sbcci.org/News&Information/One_United ICC_by_2003.cfm* (viewed 10/03/02).

[4] "Building Safety Groups Vote to Approve ICC Consolidation," *http://www.sbcci.org/News&Information/consolidation_approved.cfm* (viewed 10/03/02).

critique. The attention may expose illogical code requirements, or unjustified preferences for certain suppliers. Citizens may complain to their representatives about defects in the codes. Volunteers may step forward to write a superior building code system, enhancing the competition for legal standards and decreasing SBCCI's market share. Regardless of how SBCCI will fare in all this, the quality of the law is likely to improve from this process. In any event, this issue is unripe for review now.

B. Petitioner Lacks Any Cognizable "Financial Rights" in the Law.

Petitioner SBCCI asks this Court to create a new entitlement for "financial rights" of trade organizations, which at best is a form of corporate welfare. This argument is merely a reformulated version of the "sweat of the brow" approach, which has been emphatically rejected by this Court. "Without a doubt, the 'sweat of the brow' doctrine flouted basic copyright principles. Throughout history, copyright law has recognized a greater need to disseminate factual works than works of fiction or fantasy." *Feist Publications v. Rural Tel. Serv. Co.*, 499 U.S. 340, 354 (1991) (quotations omitted); *see generally id.* at 353-60. There is no greater need than to disseminate the law, regardless of the impact on the financial interests of a few groups like SBCCI.

Petitioner even concedes the success of West Publishing in publishing publicly available judicial opinions and statutes, without benefit of a copyright in the law. Pet. at 19. As the Fifth Circuit *en banc* observed, "to enhance the market value of its model codes, SBCCI could easily publish them as do the compilers of statutes and judicial opinions, with 'value-added' in the form of commentary, questions and answers, lists of adopting jurisdictions and other information valuable to a reader. The organization could also charge fees for the massive amount of interpretive information about the codes that it doles out." 293 F.3d at 806. Whether SBCCI makes as

much money after Veeck posts the codes remains to be seen, but this Court should not intercede to save it from the risk of revenue decline.

It is worth noting that the Petition declares that SBCCI's "membership includes 2,500 cities, counties, states and governmental agencies as well as 14,000 architects, engineers, building contractors, trade associations, and manufacturers." Pet. at 1. One would hope that government employees have valuable input into the development of the codes. Yet SBCCI, by clinging to its fiction of a copyright in the law, has a financial incentive to ignore federal employees' input lest it jeopardize SBCCI's claim to copyright. 17 U.S.C. §§ 105, 403. SBCCI claims government agencies as members, but its attempt to own the law requires it to reject federal input. This is hardly a practice worth encouraging.

C. There is No Economic Justification for Private Ownership of the Law.

Economic theory is entirely against Petitioner SBCCI in its quest for monopoly ownership of the law. "By a perpetual monopoly, all the other subjects of the state are taxed very absurdly in two different ways; first, by the high price of goods, which, in the case of a free trade, they could buy much cheaper; and secondly, by their total exclusion from a branch of business, which it might be both convenient and profitable for many of them to carry on." Adam Smith, *Wealth of Nations* 814 (Random House: 1994, Cannon ed.). The owner of the law, like any monopolist, can charge far more than the price dictated by the supply and demand curves of a free market.

The Fifth Circuit *en banc* rightly reversed the district court, which had mistakenly found that "the codes are offered to the local governments at no cost to the public." *Veeck v. Southern Bldg. Code Cong. Int'l, Inc.*, 49 F. Supp. 2d 885,

891 (E.D. Tex. 1999). To the contrary, SBCCI's monopoly imposes substantial costs on the public. The public cannot readily access the building safety codes over the internet, and must pay non-competitive, inflated charges imposed by virtue of the monopoly power of SBCCI. Even if most of the costs are borne by other businesses, a point emphasized by Petitioner, those costs are then merely passed onto the consuming public. Pet. at 27. The SBCCI monopoly depresses public awareness of the safety codes, such that reporting of violations is limited. The resultant harm is in lost lives as well as dollars.

Removing private restrictions on public access to these codes reduces distortions in their development. Currently, private organizations like SBCCI and the AMA can tailor their codes, with the force of law, for the benefit of their own financial interests and benefactors rather than the public. The legal safeguards that protect the public against corruption of political process, such as disclosure requirements and prohibitions on payments to decisionmakers, do not ordinarily apply to these private organizations as they manipulate the legal requirements. "[I]t is difficult to imagine an area of creative endeavor in which the copyright incentive is needed less. Trade organizations have powerful reasons stemming from industry standardization, quality control, and self-regulation to produce these model codes; it is unlikely that, without copyright, they will cease producing them." 293 F.3d at 806 (quotations and footnote omitted).

The Nobel Prize-winning Coase Theorem also militates in favor of removal of this monopoly as a "transaction cost" that obstructs efficiency without furthering any social goals. *See, e.g.*, Ronald H. Coase, "The Problem of Social Cost," 3 *J. Law & Econ.* 1 (1960). Establishing that no one can own the law removes an inefficient transaction cost for accessing it. SBCCI, the AMA, and similar organizations would still be free to negotiate benefits for developing codes, but it is error

to mandate by fiat a windfall benefit for them. The Coase Theorem also throws cold water on Petitioner's speculation that the decision below will cause the sky to fall. In fact, the desired level of activity—here code development—is undeterred by shifting the entitlements, unless transaction costs increase dramatically. The highly successful development and implementation of the Uniform Commercial Code and International Classification of Diseases, without copying restrictions, so demonstrate.

Private ownership of the law causes distorting incentives to manipulate the law, in order to increase sales through revised versions. The medical CPT codes owned by the AMA are constantly changing in trivial ways, thereby providing a prodigious revenue stream to the AMA as it sells the revised versions. This is contrary to the public interest, which is to promote compliance rather than revenue to a monopolist. Ambiguities and perpetual changes, which are obstacles to maximizing public compliance, constitute a golden goose for the monopolist who can sell explanatory materials and seminars. Removal of this artificial monopoly would remove financial incentives to repeatedly change the codes, rather than stabilize them.

The AMA has even reneged on its promise to provide its government-mandated codes freely to the public. It promised to provide its CPT codes freely to the public over the internet in order to persuade the government to require use of its codes, but the AMA then ignored its promise with impunity. *See* Statement of the AMA to HHS Re: Physicians' Current Procedural Terminology (CPT), T. Reginald Harris, MD, April 16, 1997 ("The AMA has taken additional steps to make CPT available over the Internet and is expected to complete an agreement with the HCFA in the very near future. Under the agreement, complete public access to HCFA data files containing CPT will be available, free of charge, both domestically and internationally.") (testimony

was presented in April 1997, and yet the AMA continues to attempt to prevent anyone from posting CPT requirements on the internet) (available *at http://www.aapsonline.org/medicare/amacpt.htm*).

Without a state-conferred monopoly, Petitioner SBCCI and others could still negotiate directly with government and then sell their codes with a governmental "imprimatur" as an official developer of the codes. In that scenario, public access and compliance would inevitably increase, and transaction costs would decrease. Distribution would no longer be artificially suppressed by the monopoly, and SBCCI and its counterparts would have to earn their keep the old-fashioned way—through competition. Economically, that is exactly as it should be.

CONCLUSION

For the foregoing reasons, the Petition for Writ of Certiorari should be denied.

Respectfully submitted,

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IN THE
Supreme Court of the United States

SOUTHERN BUILDING CODE CONGRESS INTERNATIONAL, INC.,
Petitioner,

v.

PETER VEECK D/B/A REGIONAL WEB,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

BRIEF OF *AMICI CURIAE* TEXAS MUNICIPAL LEAGUE, AMERICAN NATIONAL STANDARDS INSTITUTE, NATIONAL FIRE PROTECTION ASSOCIATION, AMERICAN SOCIETY OF HEATING, REFRIGERATING AND AIR-CONDITIONING ENGINEERS, NSF INTERNATIONAL, INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, AMERICAN INSTITUTE OF STEEL CONSTRUCTION, AMERICAN SOCIETY OF CIVIL ENGINEERS, AND INTERNATIONAL ASSOCIATION OF PLUMBING AND MECHANICAL OFFICIALS IN SUPPORT OF PETITIONER

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STATEMENT OF INTEREST OF *AMICI CURIAE*[1]

The model codes at issue in this case are part of a large genre of copyrighted codes and standards that are developed by private, not-for-profit organizations and made available for adoption by government bodies throughout the United States and for other purposes.[2]

Amicus Texas Municipal League ("TML") is a nonprofit association that represents the interests of its 1,060 member cities. It accomplishes its mission by providing legislative services, legal advice, educational training, and publications to the governing bodies, officials, and employees of those cities. The TML's member cities routinely adopt copyrighted model codes and standards by reference in their laws.

Amicus American National Standards Institute ("ANSI") is a nonprofit membership organization which, for almost 85 years, has administered and coordinated the voluntary standardization system in the United States. ANSI is a partnership of some 30 government agencies, approximately 400 companies, and 250 professional, technical, trade, labor, academic, and consumer organizations. ANSI accredits over 200 standards developers and provides a forum for addressing policy issues related to standardization.

All other *amici* are not-for-profit or nonprofit organizations that develop copyrighted codes and standards for adoption by government entities and for other purposes.[3]

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[1] No counsel for any party authored this brief in whole or in part. No person or entity other than *amici*, their members, or their counsel made any monetary contribution to the preparation or submission of this brief.

Both parties have consented to the filing of this brief. Evidence of the written consent of the parties has been filed separately herewith.

[2] For convenience, this brief uses the terms "standards" or "codes and standards" for works ranging from model codes to other compilations of rules, standards, specifications, and other works created by private organizations for use by the private sector and government.

[3] These *amici* are listed and described in the Appendix to this brief.

These *amici* use the revenue generated from the sales and licensing of their copyrighted standards to support the creation and updating of their standards.

If the decision below is allowed to stand, the consequent nullification of copyright protection for the works of standards developers will result in a devastating loss of licensing and sales revenue. This, in turn, will seriously undercut the ability of standards developers to fund the ongoing creation and updating of their codes and standards and will harm the public and governments, such as those represented by *amicus* TML, who benefit from and depend on these codes and standards.

For these reasons, *amici* have a direct and vital interest in the issues presented to this Court by the petition of Southern Building Code Congress International, Inc. ("SBCCI") and believe that they can provide the Court with additional perspective on these issues.

SUMMARY OF THE ARGUMENT

1. Over more than a century, the copyright laws have nurtured a nationwide system of privately developed model codes and standards that greatly benefits the public. These standards are drafted by nonprofit organizations with the participation of government, academia, business, and the public. Government bodies at all levels adopt these standards, thus providing, at no taxpayer expense, timely, high quality safety, health and other technical regulations for their citizens. The Fifth Circuit's nullification of copyright protection for these codes and standards jeopardizes this valuable work by compromising the sales and licensing revenue that supports it.

2. The decision below, which was rendered by a sharply divided court, conflicts with the decisions of the Second and Ninth Circuits, creating a host of practical problems for

standards developers concerning the enforceability of their copyrights within and without the Fifth Circuit. The decision also effects a massive expropriation of the valuable intellectual property rights of the standards developers, thus destroying the longstanding, mutually beneficial relationship between standards developers and governments.

3. The court below erred in its legal analysis. The decision misinterprets this Court's cases, misapplies the merger doctrine, and creates a draconian remedy for a problem – restricted access to the law – that does not exist.

ARGUMENT

I. THE COPYRIGHT LAWS HAVE ENABLED THE CREATION AND GROWTH OF A NATIONWIDE SYSTEM OF MODEL STANDARDS THAT GREATLY BENEFITS THE PUBLIC.

The paramount purpose of copyright protection is "To Promote the Progress of Science and useful Arts." U.S. CONST. art. I, § 8, cl. 8. The immediate effect of copyright law is to secure a fair return for an author's creative labor. But the ultimate aim of the copyright system lies in the benefits derived by the public from the work of authors. *See Sony Corp. v. Universal City Studios*, 464 U.S. 417, 429 (1984). Private standards developers exemplify these benefits. Supported by the funds made possible through copyright protection, the system of standards development that has evolved in the United States is one of the most effective in the world and exemplifies the American tradition of public-private partnership.

To appreciate why the copyright system is so critical to the continued availability of model codes and standards, one must understand that the creation of high quality, up-to-date standards is very costly and that private standards developers rely on copyright protection, and the sales and licensing revenue it makes possible, to sustain their work.

A. Standards Drafting

The drafting of standards requires wide-ranging creative input from a variety of constituencies and experts. Under ANSI principles, standards drafting committees must seek to include representatives of a variety of affected interests, including the public, academia, business, and the public safety and regulatory community. Procedural protections must be accorded to all participants, and an appeal process must be available through the standards developer. The process must be open and involve opportunity for public comment.

The finished products of the standards development process are model codes and standards, some of which are concise sets of rules or methods covering a narrow technical subject, others of which are lengthy compendia such as model building codes.

B. Government Adoption of Standards

Over the past century, governments have taken full advantage of this valuable private sector resource. The federal government has been estimated to be the single largest user of privately developed codes and standards. *See* NATIONAL INSTITUTE OF STANDARDS & TECHNOLOGY, U.S. DEPARTMENT OF COMMERCE, STANDARDS ACTIVITIES OF ORGANIZATIONS IN THE UNITED STATES, SPECIAL PUBLICATION 806 (Feb. 1991); *see, e.g.,* Index to the Code of Federal Regulations, 3 C.F.R at 2090-91 (1999) (indexing over 200 citations in the Code of Federal Regulations to copyrighted NFPA standards). In recognition of the benefits of private standards development, the Office of Management and Budget ("OMB") has for nearly two decades directed all federal agencies to incorporate privately developed standards "whenever practicable and appropriate," thereby "[e]liminat[ing] the cost to the Government of developing its own standards." Federal Participation in the Development and Use of Voluntary Consensus Standards and in

Conformity Assessment Activities, 63 Fed. Reg. 8546, 8554-55 (Feb. 19, 1998) (revising 1983 OMB Circular A-119). Recognizing that the standards system depends on the maintenance of copyright, OMB requires agencies to "observe and protect the rights of the copyright holder ...." *Id.* at 8555.

In 1996, Congress codified the OMB policy of adopting privately developed codes and standards in the National Technology Transfer and Advancement Act of 1995, Pub. L. No. 104-113, § 12(d), 110 Stat. 775, 783 (1996). As the House Science Committee Report concerning the Act stated:

> The United States ... relies heavily on a decentralized, private sector based, voluntary consensus standards system.... This unique consensus-based voluntary system has served us well for over a century and has contributed significantly to United States competitiveness, health, public welfare, and safety.

H.R. REP. NO. 104-390, pt. VII at 23-24 (1995).

As to state and local governments, it is fair to say that they could not function effectively without privately developed standards. Virtually all safety and other technical regulation requires expertise that is beyond the resources of such governments. By as early as 1981, 97% of United States cities had adopted model building codes, up from 47% in 1964.[4] BUREAU OF ECONOMICS, FEDERAL TRADE COMMISSION, LOCAL BUILDING CODES AND THE USE OF

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[4] Many states adopt or mandate the regulatory adoption of privately authored works. *See, e.g.,* WASH. REV. CODE § 19.27.031 (1999) (adopting the model Uniform Building Code and related standards). Many states, moreover, have enacted express legislative approval of and methods for state and municipal adoption of privately developed works through incorporation by reference. *See, e.g.*, 65 ILL. COMP. STAT. ANN. 5/1-3-1 to 5/1-3-6 (West 2001).

COST SAVING METHODS 11, 16 (Jan. 1989). *See also* NATIONAL CONFERENCE OF STATES ON BUILDING CODES AND STANDARDS, INC., DIRECTORY OF BUILDING CODES & REGULATIONS (1998 ed.) (listing adoptions of building-related model codes and standards).

C. The Role of Copyright

The costs of developing standards are commonly underwritten, in whole or significant part, by the revenues made possible from the copyright-protected sales and licensing of the standards themselves. *See Practice Mgmt. Info. Corp. v. Am. Med. Ass'n*, 121 F.3d 516, 518 (9th Cir.) (copyright provides the economic incentive to standards developers to continue to create their works), *cert. denied*, 522 U.S. 933 (1997).

Without copyright protection, others could copy and sell the works created by standards developers without making any contribution to the development costs. The standards developers would lose the main source of revenue that sustains their standards development activities, impairing their ability to continue this work. The consequent diminishment of private standards development would be a severe loss to the public.

II. THE DECISION BELOW, IF ALLOWED TO STAND, THREATENS TO DESTROY THE SYSTEM OF PRIVATE, CONSENSUS-BASED STANDARDS DEVELOPMENT AND IS CONTRARY TO THE PUBLIC INTEREST.

A. The Decision Creates a Split Between Circuits That Causes a Quandary for Standards Developers.

1. The Decision Below Cannot Be Reconciled With the Decisions of Other Circuits.

In holding that a copyright-protected model code loses its protection when it is adopted by government, the Fifth

Circuit created a direct conflict with decisions of two other circuits. *See Practice Mgmt.*, 121 F.3d at 516; *CCC Info. Servs. v. Maclean Hunter Mkt. Reports*, 44 F.3d 61 (2d Cir. 1994).

In *Practice Management*, the Ninth Circuit ruled that a federal agency's adoption of the American Medical Association's ("AMA") copyrighted medical procedure code as the required standard for preparation of Medicare and Medicaid claims did not invalidate the code's copyright. The Ninth Circuit specifically rejected the argument, persuasive to the Fifth Circuit in this case, that because the use of the copyrighted code was mandated, the code as an expression had merged with the fact of the industry standard. The Ninth Circuit ruled that there was no merger because the AMA's copyright did not "prevent ... the AMA's competitors from developing comparative or better coding systems and lobbying the federal government ... to adopt them." 121 F.3d at 520 n.8. There could be no starker conflict with the Fifth Circuit's holding below that SBCCI's model code merged with the "'idea' that constitutes local law." *Veeck v. S. Bldg. Code Congress Int'l,* 293 F.3d 791, 801 (5th Cir. 2002). The Ninth Circuit also rejected the defendant's argument, parallel to the argument made by Mr. Veeck, that *Banks v. Manchester,* 128 U.S. 244 (1888) (*see* pp. 12-15 below) required the invalidation of the AMA's copyright when its code became law. 121 F.3d at 518-19.

The Ninth Circuit's holding in *Practice Management* followed an earlier Second Circuit case, *CCC*, that had also rejected the very merger and public domain arguments that prevailed before the Fifth Circuit in this case. In *CCC,* the Second Circuit ruled that a state's adoption of a copyrighted compilation of used car valuations as a required standard for insurance valuation purposes did not cause the compilation to lose its copyright. 44 F.3d 61.

The Fifth Circuit's majority opinion ostentatiously disclaims any conflict with the decisions of the Second and Ninth Circuits, but the court's reasoning is murky and unpersuasive. The court nowhere explains how the distinctions it perceives actually affect the analysis under either *Banks* or the merger doctrine.

The first asserted difference, between "wholesale adoption of a model code" (the Fifth Circuit's description of this case) and "official incorporation of extrinsic standards" (its characterization of *Practice Management* and *CCC*), is inscrutable. If the court intended to suggest that Anna and Savoy, Texas, adopted SBCCI's code by republishing it in its entirety as a government work, it was incorrect. As the undisputed record shows and as the court elsewhere acknowledged, this case – as well as the Ninth and Second Circuit cases – involved copyrighted works that were incorporated by reference, and not republished as a whole by the government entity. *See* 293 F.3d at 794.

The Fifth Circuit also attempted to distinguish *Practice Management* and *CCC* in a second way, by asserting that they involved works that had a variety of purposes, while SBCCI's code was drafted for the sole purpose of being adopted as law. The opinion remarked, with regard to private groups that create standards for "reasons other than incorporation into law," that "[t]o the extent incentives are relevant to the existence of copyright protection, the authors in these cases [where incorporation into law was not the sole intended use] deserve incentives." 293 F.3d at 805. Presumably, according to the court's reasoning, SBCCI did not "deserve" the copyright incentive because it *wanted* its model codes to be adopted as law.

This distinction is nonsensical. The Copyright Act does not distinguish between deserving and undeserving authors. Surely entities that subsist on copyright revenues and promote public safety are as deserving as any of the

copyright incentive. Moreover, the distinction between entities that may intend their works to be used only as legislation and those whose works are intended for a variety of purposes is not recognized in copyright law. Copyright protection does not hinge on the author's subjective purpose in creating a work. The Constitutional basis of copyright law is to "promote the progress of science and useful arts," not to encourage works dedicated to particular purposes.

2. The Conflict Between the Circuits Causes a Host of Practical Problems for Standards Developers.

The conflict between the decision below and the decisions of the Second and Ninth Circuits leaves standards developers in serious doubt as to the copyright status of their model codes and standards. The consequence of this uncertainty is to throw the operations of standards developers throughout the nation into turmoil.

The negative effects of the Fifth Circuit's decision are clear given the contrary rulings in other circuits. In future disputes about the copyright status of enacted model codes and standards, the parties will race each other to file suit in a jurisdiction that is sympathetic to their respective positions. *Amici* that reside in the Fifth Circuit may need to enforce their copyrights outside the Fifth Circuit, while those who seek to copy codes and standards developed outside the Fifth Circuit may seek refuge in that circuit's courts. The risk of inconsistent and contradictory holdings with respect to the same codes and standards is great. The decision may also subject standards developers to the risk of being accused of copyright misuse if they continue to enforce copyright in model codes and standards that have been adopted by government bodies.[5]

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[5] The opinion below distinguishes between "codes" and something it calls "extrinsic standards" without defining either term, although it

This Court should grant certiorari in order to resolve the critical uncertainty that has resulted from the split between the circuits.

B. The Decision Below Threatens to Destroy the Beneficial Relationship Between Standards Developers and Governments.

As discussed above, governments at all levels have benefited from the work of private, nonprofit standards developers for more than a century. The decision below threatens to replace this beneficial relationship with an adversarial one because the Fifth Circuit's ruling, in effect, retrospectively declares that governments across the country have effected a massive, unintended taking of the model codes and standards they have adopted. *See CCC, 44* F.3d at 74 ("a rule that the adoption of such a reference by a state legislature or administrative body deprived the copyright owner of its property would raise very substantial problems under the Takings Clause of the Constitution"); *Veeck v. S. Bldg. Code Congress Int'l*, 49 F. Supp. 2d 885, 889 n. 1 (E.D. Tex. 1999) (policy considerations that disfavor Mr. Veeck's position include "substantial problems under the Takings Clause of the Constitution"). With a single stroke, the Fifth Circuit has divested standards developers of an important and valuable property interest and has effectively deprived governments of the option to use copyrighted works to provide high quality safety and other regulations for their citizens.

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appears to rule that the two types of works, both privately developed and adopted as law by governments, should be treated in diametrically opposite ways. The opinion does not give standards developers, many of which denominate some of their works for practical, historical, and other reasons as "codes," sufficient information to understand which of their works fall into which category. This, in turn, creates further confusion and difficulty for standards developers.

The judicial expropriation of the standards developers' copyrights is unfair to both the standards developers and the government bodies that have come to rely on their work. The unfairness to the standards developers is obvious, but the decision has damaging consequences for government entities as well. It transforms a government's adoption by reference – an act undertaken to provide high quality regulation at no taxpayer expense – into an unintended and unwanted taking. As Judge Higginbotham observed in dissent below (293 F.3d at 806), the municipalities made an entirely rational decision in adopting SBCCI's code:

> The cities could have hired counsel and engineers to draft a code, recouping its expense either from all taxpayers or by charging a fee to users for a copy of its ordinance. A city could also decide, on behalf of the citizens, to license a finished copyrighted work. Either is a decision by elected representatives.

The opinion below dismisses the takings problem as follows: "This is not, however, a 'takings' case, not least because SBCCI urged localities to adopt its model codes." *Veeck*, 293 F.3d at 803. This dismissive statement does not withstand analysis. The fact that SBCCI made its model codes available for adoption by government in no way amounts to SBCCI's consent to the nullification of its copyright. Indeed, it is undisputed that SBCCI unfailingly and expressly asserted its copyright in its model codes.

Lastly, to compound the takings problem, the majority opinion below rides roughshod over 17 U.S.C. § 201(e), which provides that "no action by any governmental body or other official or organization purporting to seize, expropriate, transfer, or exercise rights of ownership with respect to the copyright ... shall be given effect under this title." Although the opinion ignores this provision of the Copyright Act, it implies that no expropriation has occurred because SBCCI voluntarily offered up its model codes for adoption by local

government. This reasoning suffers from an insuperable logical flaw: SBCCI offered its model codes for adoption by reference, not copyright invalidation.

III. THE DECISION BELOW IS WRONG ON THE MERITS.

A. The Fifth Circuit Misinterpreted This Court's Cases.

In holding that two small Texas towns had, by adopting SBCCI's model code, destroyed SBCCI's copyright in that work, the court below grossly misconstrued two nineteenth century cases of this Court, *Wheaton v. Peters*, 33 U.S. 591 (1834), and *Banks v. Manchester*, 128 U.S. 244 (1888). Those cases, at most, stand for the proposition that a private individual may not, by publishing judicial opinions, acquire a copyright in them. The Fifth Circuit's sweeping interpretation of these cases as holding that "the law," regardless of its source, "is not subject to federal copyright law," 293 F.3d at 800, is erroneous. As shown below, this Court has never addressed the important questions presented by this case. It should do so now and reverse the incorrect and harmful decision below.

Although the Fifth Circuit relied on *Wheaton* in arriving at its decision, this Court's narrow holding in that case has little relevance here. In *Wheaton*, the reporter of this Court's decisions asserted copyright in the compiled volumes. The principal question before the Court was whether the reporter's copyright claim, if any, arose from common law as well as under the copyright statutes. The Court held that it did not. 33 U.S. at 661-62. The Court further remarked that "no reporter has or can have any copyright in the written opinions delivered by this court; and ... the judges thereof cannot confer on any reporter any such right." *Id.* at 667.

This dictum in *Wheaton* became the foundation for *Banks*. In *Banks*, the plaintiff, which enjoyed an exclusive contract to publish decisions of the Ohio Supreme Court,

sued a competing publisher that reprinted decisions the plaintiff had purported to copyright. This Court held that the defendant could not be liable for copyright infringement because the plaintiff was not the author of the decisions. 128 U.S. at 252-53. Indeed, this Court continued, even the judges themselves could not claim copyright: "In no proper sense can the judge who, *in his judicial capacity*, prepares the opinion or decision ... be regarded as their author or their proprietor ... so as to be able to confer any title by assignment on the state sufficient to authorize it to take a copyright for such matter." 128 U.S. at 253 (emphasis added).

The reasoning underlying this holding was that judges "can have no pecuniary interest or proprietorship, as against the public at large, in the fruits of their judicial labors. This extends to whatever work they perform in their *capacity as judges* ...." *Id.* (emphasis added). Because judges are public servants, their work product is inextricably part of the public domain. Thus, "[t]he whole work done by the judges constitutes the authentic exposition and interpretation of the law, which, binding every citizen, is free for publication to all." 128 U.S. at 253.

The holdings of both *Wheaton* and *Banks* rest primarily on the *public* nature and authorship of judicial opinions. *Wheaton* and *Banks* have no applicability to the present case, in which a *private* organization, not a public servant, has created an indisputably copyrighted work that has subsequently been incorporated into law. The fact that a municipality adopts a privately authored work does not change the fact that it was privately authored. *Banks* and *Wheaton* simply do not address the question whether a municipality's adoption of a privately authored, copyrighted work as its ordinance vitiates the copyright.

In relying on *Wheaton* and *Banks* as authority for the sweeping rule announced in the decision below, the Fifth

Circuit employed the "metaphorical concept of citizen authorship,"[6] 293 F.3d at 798, to eviscerate the copyrights of thousands of privately authored works nationwide. Yet by invoking the "metaphorical" concept of "citizen authorship," the court below sidestepped the real and undeniable fact of *private* authorship of model standards and codes. Unlike the judicial opinions at issue in *Wheaton* and *Banks*, the SBCCI code at issue here did not originate in the public domain. There simply is no "citizen author" in the case now before this Court.

Moreover, this Court decided *Banks* and *Wheaton* before the system of private development of standards was even in its infancy. The First Circuit recognized this fact in *Building Officials and Code Administrators International, Inc. v. Code Technology, Inc.*, 628 F.2d 730, 736 (1st Cir. 1980) ("*BOCA*"), in remarking that "the rule denying copyright protection to judicial opinions and statutes grew out of a much different set of circumstances ...." *See also Veeck*, 293 F.3d at 808 (Wiener, J., dissenting) ("Technical codes and standards have become necessary, pervasive, and indispensable ingredients of Twenty-First Century life in this country."); 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 5.06[C] at 5-94 (2001) (in view of the "increasing trend toward state and federal adoptions of model codes," the refusal to recognize the copyright in a model code when it has been adopted as law "could ... prove destructive of the copyright interest in encouraging creativity").[7]

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[6] This phrase derives from *Building Officials and Code Administrators International, Inc. v. Code Technology, Inc.*, 628 F.2d 730, 734 (1st Cir. 1980), not any decision of this Court.

[7] As discussed above at pp. 4-6, Congress and the executive branch also have recognized the increasing importance to government of privately developed model standards and codes in the century since this Court decided *Banks*.

The Fifth Circuit's mistaken reliance on *Wheaton* and *Banks* to destroy a well-functioning system of private standards development that has benefited the public in increasing measure for over a century and is recognized in federal law is a grievous error. This Court should grant the writ and restore the standards development system, which is critical to our nation's safety and health.

B. The Fifth Circuit's Application of the Merger Doctrine Is Illogical and Unsupported in Law.

In relying on the "merger" doctrine to justify its invalidation of SBCCI's copyright, the Fifth Circuit stretches that limited doctrine far past its breaking point.

Until the decision below, "merger" was thought to occur when the expression sought to be copyrighted was inseparable from the idea or fact that it expressed. In such a case, the only way to keep the idea or fact circulating freely was to preclude copyright in the expression. *See, e.g., Harper & Row v. Nation Enters.*, 471 U.S. 539, 556 (1985); *Baker v. Selden*, 101 U.S. 99 (1879) .

Whether or not a "fact" or "idea" is inseparable from its expression is generally a context-driven determination, not something that can simply be declared, as a matter of law, without analysis. *See, e.g., Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930) (L. Hand, J.) (describing this analysis in what has become known as the "abstractions" test). The Ninth Circuit in *Practice Management* well understood this point when it rejected the argument that a medical code "merged" with the law when a federal agency mandated the code's use as part of its Medicaid regulations. The court pointed out that the code at issue was not the only way to express the facts and ideas involved and that the code's copyright "does not stifle independent creative expression in the medical coding industry." *Practice Management*, 121 F.3d at 520 n. 8. Maintaining the owner's copyright in a government-adopted

work, said the court, "does not prevent competitors from developing better coding systems and lobbying the federal government and private actors to adopt them. It simply prevents wholesale copying of an existing system." *Id.*

The opinion below utterly fails to engage in the sort of reasoned examination of merger undertaken in *Practice Management*. It does not examine any of the other current model building codes, which exemplify the variety of expressive possibilities for the "idea" or "fact" of a building code. Nor does it even assert that the only way to express the underlying "facts" or "ideas" of SBCCI's model code is as SBCCI actually expressed them in the 900 pages of its model code. These missing analyses are necessary prerequisites for a finding of merger. *See, e.g.*, 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.03[A][1][a]-[d] at 13-31 – 13-44 (2001) and cases cited (describing the various parameters of the complex inquiries necessary to determine whether merger has occurred).

The *en banc* court did not engage in these traditional analyses at all. Instead, it created a wholly new species of merger doctrine in which a previously copyrighted expression *instantaneously* loses its copyright status upon "merger" with an enacted local ordinance. Thus, the court below simply declared that SBCCI's codes "are 'facts' under copyright law. They are the unique, unalterable expression of the 'idea' that constitutes local law." 293 F.3d at 801. The *en banc* court held, in effect, that because it is a fact that Anna and Savoy have adopted SBCCI's model code as law, that model code loses its copyright and may be copied in its entirety. This logic is entirely circular.

The error lies in conflating the adoption of the model code with the model code itself. While adoption of the code is a fact, the code itself is a complex and copyright-protected expression of a multitude of ideas. The Fifth Circuit's shaky logic could apply to subvert the copyright in any number of

works that are unquestionably not "merged" with the ideas they express, as demonstrated in SBCCI's petition at p. 21.

Had the *en banc* majority properly considered the variety of model building codes, the court would have agreed with the district court that SBCCI's model code is only one example of many possible expressions of a building code. *See Veeck v. SBBCI*, 49 F. Supp. 2d 885, 890 (E.D. Tex. 1999). Other codes with the same prescriptive effect might use different terminology and could be organized in different ways. *See Practice Management*, 121 F.3d at 520 n.8. Thus, the Fifth Circuit's unwarranted extension of merger doctrine to destroy SBCCI's copyright has nothing to do with the doctrine of merger as it has developed over the years since *Baker v. Selden*. This Court should grant the writ to address this important issue of copyright law.

C. The Fifth Circuit Overreaches by Addressing an Illusory Problem of Access.

Underlying the decision of the court below is a misplaced concern that copyright protection is likely to limit or restrict access to copyrighted material. 293 F.3d at 800. This concern stems from the so-called "public domain doctrine," *see BOCA*, 628 F.2d at 734, under which, as a matter of due process, citizens must "have notice of what the law requires of them." The *en banc* court's concern is unjustified; if anything, the copyrighted status of model codes makes them more, rather than less, freely available to citizens who desire to have notice of what the law requires.

As a preliminary matter, the protections afforded by copyright encourage access to and dissemination of copyrighted expression. "[I]t should not be forgotten that the Framers intended copyright itself to be the engine of free expression. By establishing a marketable right to the use of one's expression, copyright supplies the economic incentive to create and *disseminate* ideas." *Harper & Row*, 471 U.S. at 577 (emphasis added). Thus, the Fifth Circuit's anxiety that

a copyright holder would monopolize the protected expression to the public's detriment is not only misplaced, but contrary to the foundational assumptions that underlie the copyright system. Built into the copyright system and the case law interpreting it is every incentive for SBCCI to make its codes widely available to the public. Copyright law also includes safeguards, discussed below, that make it impossible for SBCCI to limit access in the way the Fifth Circuit evidently feared.

As an empirical matter, it is true that SBCCI does not provide copies of its codes free of charge. As the record shows, Mr. Veeck paid $72.00, or eight cents per page, for an electronic version of SBCCI's 900-page model code. Had he retrieved a copy of the code from the clerk's office in Anna or Savoy, however, he would have had to spend many hours – and many quarters – at a photocopier. Obtaining a copy of a lengthy document is never cost-free, and the Fifth Circuit's abstract pronouncements about "free" access do not change these practical realities.[8]

The critical question is not whether copies may be obtained free of charge, but whether citizens are free to consult them. The answer is clear: they are, and neither SBCCI nor any other standards drafting organization known to *amici* has ever contended otherwise. Had Mr. Veeck merely wanted to read the building codes of Anna and Savoy, instead of obtaining personal copies of the code in its entirety, he could have consulted the towns' clerk's office, where they were available, and read them free of charge, as he would have had to do with any other ordinance enacted by

[8] State agencies around the country charge for on-line access to their states' electronic records, which include statutory and legislative text. *See, e.g.,* Ky. Rev. Stat. Ann. § 61.874 (6) (2000). Nothing in the Due Process Clause or *Banks* entitles citizens to free personal copies of a 900-page building code.

Anna or Savoy. SBCCI's copyright in no way prevents that kind of use.

In choosing to adopt copyrighted model codes and standards as law, government bodies have exercised their judgment that the use of such works is the best, most cost-effective way to obtain high quality standards and make them available to their citizens. Courts should defer to their judgments. *See Texaco, Inc. v. Short*, 454 U.S. 516, 532 (1982) ("A legislative body is in a far better position than a court to form a correct judgment concerning ... the means by which information concerning the law is disseminated in the community, and the likelihood that innocent persons may be harmed by the failure to receive adequate notice."). Indeed, the district court, which heard evidence on this point, found that "the citizens of the communities wherein these codes have been adopted do have access to them." 49 F. Supp. 2d at 889.

Thus, the Fifth Circuit has fashioned a remedy for a non-existent problem. It is a remedy that is breathtaking in its extremity, for under the majority holding, any town in the United States that references a copyrighted work in its laws unwittingly destroys the copyright protection in that work.

There is no need to go that far. Were some hypothetical standards development organization to behave so irrationally as to restrict access, reasonable use, or copying by citizens affected by particular codes, the Copyright Act would guarantee the public's access to the enacted codes under the doctrine of fair use. *See* 17 U.S.C. § 107 (1992). Moreover, as Professor Nimmer has additionally proposed, "failure to observe ... due process notice requirements could readily constitute a defense for one charged with violation of the non-publicized law." *See* 1 NIMMER, § 5.06[C], at 5-94. Compulsory licensing could also serve as a remedy should an appropriate case ever arise. *See Practice Management*, 121 F.3d at 519 (suggesting remedies for unavailability,

including fair use and due process defenses and mandatory licensing). *See also CCC Info. Servs.*, 44 F.3d at 73-74 & n.30.

The problem of access is illusory. This Court should grant certiorari in order to correct the Fifth Circuit's ruling, which needlessly destroyed SBCCI's copyright in the name of preserving access.

CONCLUSION

For the reasons set forth above, *amici* respectfully request that the Court grant the writ of certiorari.

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APPENDIX

APPENDIX

Amicus Curiae American Institute of Steel Construction, Inc. ("AISC") is a nonprofit technical institute and trade association established in 1921 to serve the structural steel design community and construction industry in the United States. AISC is a leader in the development of standards for building and bridge construction, including the Load Resistance Factor Design ("LRFD") Specification for Structural Steel Buildings, among others.

Amicus Curiae American Society of Civil Engineers ("ASCE") is a not-for-profit Section 501(c)(3) professional society. Founded in 1852, ASCE represents 130,000 members in the civil engineering profession worldwide and is America's oldest national engineering society. Now celebrating its 150th anniversary, ASCE's objective is to advance the science and profession of engineering for the welfare of humanity. To ensure safer buildings, water systems and other civil engineering works, ASCE develops codes and standards, including ASCE's copyrighted standard for building loads, "ASCE 7," which is routinely referenced in model building codes.

Amicus Curiae American Society of Heating, Refrigerating and Air-Conditioning Engineers ("ASHRAE") is a nonprofit and technical and educational organization founded in 1894 for the advancement of the sciences of heating, ventilation, air conditioning and refrigeration for the public's benefit. The Society is comprised of over 55,000 persons internationally. One of ASHRAE's major activities is the publishing of copyrighted technical data, including the ASHRAE Handbook series and more than one hundred other standards on numerous subjects, including building energy use and indoor air quality. These standards are widely adopted by local, state and federal jurisdictions throughout the United States, and are referenced and used throughout the world.

Amicus Curiae International Association of Plumbing and Mechanical Officials ("IAPMO") is a California mutual benefit nonprofit corporation. Since 1926, IAPMO has been dedicated to the protection of public health and safety through its development and maintenance of the Uniform Plumbing Code ("UPC") and Uniform Mechanical Code ("UMC"). IAPMO provides numerous services to the industry, including the promulgation of education seminars, the administration of certification programs, and the development of numerous support services and documents for the UPC and UMC. Currently, these are the most widely adopted codes of their kind and can be found in over 35 of the United States.

Amicus Curiae Institute of Electrical and Electronics Engineers ("IEEE") has more than 375,000 members in approximately 150 countries. This nonprofit New York corporation was founded in 1963 with the merger of the American Institute of Electrical Engineers and the Institute of Radio Engineers. The IEEE is a leading authority on areas ranging from aerospace, computers and telecommunications to biomedicine, electric power and consumer electronics. The IEEE produces nearly thirty percent of the world's literature in the fields of electrical and electronics engineering, computing and control technology, all of which is copyrighted. The IEEE's standards and codes are relied upon, referenced and adopted throughout the world. Of significance is the National Electrical Safety Code, which is developed and published exclusively by the IEEE. Additionally, the IEEE Standards Association ("IEEE-SA"), a globally recognized standards-setting body, develops consensus standards and codes through an open process that brings diverse parts of an industry together. The IEEE-SA has a portfolio of more than 870 completed and copyrighted standards and more than 400 standards in development. A substantial portion of the IEEE-SA's revenue is derived from sales of its copyrighted standards and codes.

Amicus Curiae National Fire Protection Association ("NFPA") is a Massachusetts not-for-profit, public charity. Founded in 1896, NFPA's mission is to reduce the burden of fire and other hazards on the quality of life, and it primarily accomplishes that mission by developing, publishing and disseminating nearly 300 timely, consensus-based safety codes and standards, including the National Electrical Code®, a standard for electrical safety standard in buildings, and the Life Safety Code®, a standard for the protection of human life in buildings. NFPA offers and encourages the use of its copyrighted codes and standards by both the private sector and government, and these codes and standards are widely used and adopted by local, state and federal jurisdictions throughout the United States. NFPA supports the substantial costs of creating and regularly updating its codes and standards through the sales and licensing revenues these codes and standards generate.

Amicus Curiae NSF International ("NSF") was founded in 1944 as the National Sanitation Foundation. NSF is a not-for-profit, non-governmental organization, providing services in standards development, product certification, education, and risk-management for public health and safety. For more than 58 years, NSF has been committed to public health, safety, and protection of the environment. NSF volunteers have developed over 50 national voluntary consensus standards covering products and services related to water, wastewater, food, and the environment. NSF copyrighted standards are used both nationally and internationally by manufacturers and regulators to provide assurance to consumers that products and services comply with minimum public health and safety requirements. NSF Standards are often adopted into model codes and regulation and are used in over 80 countries throughout the world.

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IN THE

Supreme Court of the United States

SOUTHERN BUILDING CODE CONGRESS INTERNATIONAL, INC.,

Petitioner,

v.

PETER VEECK D/B/A REGIONAL WEB,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

BRIEF OF AMICUS CURIAE ASTM INTERNATIONAL IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI

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CONSENT TO FILING OF *AMICUS* BRIEF

The Southern Building Code Congress International, Inc. ("SBCCI") has filed a Petition for a Writ of Certiorari, requesting that this Court review the decision of the United States Court of Appeals for the Fifth Circuit (*en banc*) in *Peter Veeck d/b/a Regional Web v. Southern Bldg. Code Congress Int'l, Inc.*, 293 F.3d 791 (5th Cir. 2002).

ASTM International files this brief in support of the request for review. In accordance with Supreme Court Rule 37.3(a), ASTM International has obtained written consent to the filing of this brief from counsel of record for both parties. These consents have been previously filed with the Court.

STATEMENT OF INTEREST[1]

A. ASTM International

ASTM International *f/k/a* The American Society for Testing & Materials ("ASTM") is a not-for-profit charitable institution organized under the laws of the Commonwealth of Pennsylvania.[2] Founded in 1898, ASTM provides a global forum for the development and publication of voluntary consensus standards for

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1. In accordance with Supreme Court Rule 37.6, *amicus curiae* states that this brief was not authored, in whole or in part, by counsel to a party, and that no monetary contribution to the preparation or submission of this brief was made by any person or entity other than the *amicus curiae* or its counsel.

2. *See American Society for Testing & Materials v. Board of Revision of Taxes, Philadelphia County*, 423 Pa. 530, 225 A.2d 557 (1967), wherein the Pennsylvania Supreme Court held that the American Society for Testing and Materials ("ASTM") was a "purely public charity" under the Pennsylvania Constitution and discusses ASTM's membership, mission and works.

materials, products, systems and services. Over 32,000 individuals from 100 nations are members of ASTM, including manufacturers, retailers, consumers, as well as representatives from government and academia. ASTM develops standards in over 130 areas covering subjects including consumer products, medical services and devices, electronics, metals, paints, plastics, textiles, petroleum, construction, energy and the environment.

ASTM standards are written by its more than 32,000 volunteer members who serve on ASTM's 132 technical committees devoted to specific areas of interest and which pursue standardization issues considered necessary by their members. Committees are divided into smaller entities of sub-committees and task groups that focus more closely on particular areas of a committee's scope.

ASTM memberships are inexpensive, costing $75.00 per year for an individual member and $400.00 per year for an organizational member. Each member yearly receives one free volume of his/her choice of the "Annual Book of ASTM Standards," as well as other membership benefits.

B. Use of ASTM Standards

More than 11,000 ASTM voluntary consensus standards are published each year in the 73 volumes of the "Annual Book of ASTM Standards." Each standard is copyrighted by ASTM. These standards: (1) promote public health and safety, and the overall quality of life; (2) contribute to the reliability of materials, products, systems and services; and (3) facilitate national, regional and international commerce. ASTM standards are widely used by business, consumers and government.

ASTM standards are incorporated into business contracts, used by scientists and engineers in their laboratories, used by architects and designers in their plans and, of course, governments and their agencies use and reference them for a variety of reasons. ASTM does not lobby or urge federal, state or local governments to reference, incorporate or adopt its standards. If a standard does not exist, it is relatively simple to start the ASTM process in motion. Anyone (including a government agency) can submit a written request to ASTM, describing a need for proposed standard activity and listing individuals, companies and organizations that might have an interest. ASTM contacts interested parties to assess that interest and need; if it exists and is within the subject area of an ASTM committee, activity begins. Membership in ASTM is not a pre-requisite to participation in the process (membership, however, is required to vote on acceptance of draft standards by ASTM).

ASTM standards are utilized by all federal government departments and agencies.[3] Federal agencies as varied as the Bureau of Alcohol, Tobacco and Firearms ("ATF"), the Consumer Product Safety Commission ("CPSC"),[4] the Environmental Protection Agency ("EPA"), Food and Drug Administration ("FDA"), the Nuclear Regulatory Commission ("NRC"), and the National Aeronautics and Space Administration ("NASA") reference ASTM standards

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3. A LEXIS search shows that in the last six months, ASTM standards were referenced in 117 proposed federal agency decisions and/or rules.

4. The Consumer Product Safety Act, 15 U.S.C. § 2051, *et seq.*, requires that the Consumer Product Safety Commission defer to and utilize private voluntary standards rather than produce its own. *Id.* at § 2056.

in their regulations and procurement documents. ASTM standards are widely referenced in government bids and contracts because they ensure commercially available, competitively priced goods and services, and the standards are readily available and accessible. The United States Trade Representative (Executive Office of the President) has recently utilized ASTM standards to reference steel products for tariff purposes under § 203 of the Trade Act of 1974. *See* 67 Fed. Reg. 56,182 (2002). The EPA recently referenced ASTM standards in its National Emission Standards for Hazardous Air Pollutants. *See* 67 Fed. Reg. 52,780 (2002) (to be codified at 40 C.F.R. Part 63). The Department of Transportation referenced ASTM standards in recent regulations concerning traffic control devices. *See* 67 Fed. Reg. 49,569 (2002) (to be codified at 23 C.F.R. Part 655). The FDA referenced ASTM standards in its request for reclassification of a certain type of bone cement. *See* 67 Fed. Reg. 46,852 (2002) (to be codified at 21 C.F.R. Part 888). The Federal Railroad Administration recently referenced ASTM standards in its amendment to passenger equipment safety standards. *See* 67 Fed. Reg. 42,892 (2002) (to be codified at 49 C.F.R. Part 238). These are but a few of the many examples of federal agency use of ASTM standards so far this year.

The United States Congress, at least as far back as 1993, clearly intended that the federal government reference and utilize privately authored voluntary consensus standards. *See* Office of Management and Budget Circular No. A-119 (revised 1993) ("OMB A-119").[5] Congress' intent was reiterated in the

5. OMB A-119 (1993) is *available at* (http://clinton1.nara.gov/White_House/EOP/OMB/html/circulars/a119/a119.html.)

National Technology Transfer and Advancement Act of 1995 P.L. 104-113, 15 U.S.C. § 272 ("NTTAA"). As a result, federal agency use of ASTM standards (and other privately developed codes and standards) has increased each year and is today pervasive.[6] ASTM standards are currently referenced in 800 federal regulations.

States and their agencies, as well as the federal agencies, utilize and reference many ASTM standards. Just recently, California modified its specification for engine coolants, adopting ASTM standards. *See* Cal. Bus. & Prof. § 13710. Pennsylvania, ASTM's home state, references ASTM standards in many of its laws and regulations, including its agricultural statutes (3 P.S. § 132-3), liquid fuels regulations (75 Pa. C.S. § 9002), amusement ride inspection regulations (4 P.S. § 402), and Safe Packaging Act (35 P.S. § 6024.103). Many states require children's bicycle (and other) helmets comply with, among others, ASTM standards, including New Jersey (N.J. Stat. Ann. § 39:4-10.5 (2002)); New York (N.Y. Veh. & Tr. Law § 1238 (2002)); Rhode Island (R.I. Gen. Laws § 31-19-2.1 (2001)); the District of Columbia (D.C. Code Ann. § 50-1609 (2001)); and West Virginia (W. Va. Code § 17C-11A-3) (2001)).

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6. The National Institute of Standards and Technology ("NIST"), United States Department of Commerce, is required by the Office of Management and Budget revised Circular A-119 ("OMB A-119") to report annually on the progress made by federal agencies toward using voluntary standards created by the private sector. OMB A-119(9). NIST's *Fourth Annual Report on Federal Use of Voluntary Consensus Standards* (*available at* (http://ts.nist.gov/ts/htdocs/210/toolkit.htm#ann-rpts)) states that in fiscal year 2000, federal agencies increased their use of voluntary standards to a total of 8,759. *Fourth Annual Report* at p. vi.

Many states and municipalities require that amusement park rides comply with ASTM standards. *See* Texas Occ. Code § 2151.106 (2002); R.I. Gen. Laws § 23-34.1-5 (2001); 4 P.S. § 402 (Pa. 2002); Ohio Rev. Code Ann. § 1711.53 (2002); Mo. R.S. § 316.205 (2001); La. Rev. Stat. Ann. 40:1484.4 (2002); Ind. Code § 22-15-7-4 (2001). Several states use ASTM standards to ensure the safety of: school art supplies, *see* Or. Rev. Stat. § 453.235 (2001), Tenn. Code Ann. § 68-131-305 (2001), Cal. Health & Safety Code § 108510 (2001)); playgrounds (*see* Mich. Comp. Laws § 408.684 (2002)); and the walk to school itself. *See* Mo. R.S. § 160.675 (2001) (school warning signs). These are but a few examples of how state governments use and rely on ASTM standards; the list may be endless.[7]

C. ASTM's Revenue Sources

ASTM's fiscal year budget totals $32,346,800. On a yearly basis, ASTM receives between 75% and 80% of its revenue from the sale of its copyrighted standards. These sales are key to the continuation of ASTM and its mission. Membership fees intentionally make up only a small fraction of ASTM's revenue and budget. This is done to ensure and maintain ASTM's independence as an organization from the interests of its members. Without its revenue from the sale of copyrighted standards, ASTM could not survive and

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7. As another example, most states, in their "brownsfield" legislation, require potential applicants to state programs perform "Phase I" and "Phase II" environmental site assessments pursuant to ASTM standards (*see, e.g.*, Md. Code Ann., Environ § 7-506 (a)(1)(v)). The Federal Bureau of Land Management has also adopted ASTM's Phase I and II assessments, *see* U.S. Dept. Interior, Bureau of Land Management, H-2000-1 Land Exchange Handbook 19 (1997), as does the Brownsfields Revitalization Act, 42 U.S.C. § 9601 (35)(B)(iv)(II)(2002).

fulfill its mission — to produce fair and balanced voluntary consensus standards.

D. Access to ASTM Standards

The average cost of an ASTM standard is $30.00. Standards can be purchased on-line at the ASTM website (http://www.astm.org), where standards may be instantly downloaded directly to a user's computer. Standards may also be purchased from ASTM by telephone or mail, or through several distributors. Delivery takes place within days, if not sooner.

Many government agencies have complete sets of ASTM standards, as do most (if not all) technical libraries and many other libraries.

SUMMARY OF ARGUMENT

The *en banc* decision of the Fifth Circuit found that the unilateral action of a government entity — a small municipality — could strip a valuable and protected property right from its owner. This ruling created a conflict in the Circuit Courts of Appeals (and created confusion amongst standard development organizations such as ASTM), conflicts with the clear Congressional intent expressed in OMB A-119 and in the National Technology Transfer and Advancement Act, and fails to adequately address the apparent transformation of private intellectual property into public property. The decision puts at risk the long-term (and successful) co-operative effort between government and private-sector standards development organizations. For these reasons, SBCCI's petition should be granted.

REASONS FOR GRANTING THE WRIT

The *en banc* Fifth Circuit majority decided the issue of "the extent to which a private organization

may assert copyright protection for its model codes, after the models have been adopted by a legislative body and become the law." *Veeck*, 293 F.3d 791, 793 (5th Cir. 2002). The Fifth Circuit held: ". . . that as law, the model codes enter the public domain and are not subject to the copyright holder's exclusive prerogatives." *Id.* The Fifth Circuit found that once adopted, the private author of a model code loses its copyright. *Id.* at 799.

A. The Fifth Circuit's Decision Creates a Conflict Among the Circuit Courts of Appeal and Misinterprets Prior Precedent of This Court.

The Fifth Circuit's majority ruling that a municipality's adoption by reference terminates the valid copyright of a work authored by a private entity conflicts with opinions of other Circuit Courts of Appeal, specifically those of the First Circuit in *Building Officials and Code Admin. v. Code Technology, Inc.*, 628 F.2d 730 (1st Cir. 1980) ("*BOCA*"), the Second Circuit in *CCC Information Services, Inc. v. Maclean Hunter Market Reports*, 44 F.3d 61 (2nd Cir. 1994) ("*CCC Info*") and *County of Suffolk, NY v. First Amer. Real Estate Solutions*, 261 F.3d 179 (2nd Cir. 2001), and the Ninth Circuit in *Practice Management Information Corp. v. The American Medical Ass'n*, 121 F.3d 516 (9th Cir. 1997), *amended*, 133 F.3d 1140 (9th Cir. 1998), *cert. denied*, 522 U.S. 933, (1997)("*PMI*").

The Fifth Circuit majority concluded the copyright of a privately authored code was terminated (or transferred to the public) when the code was adopted by reference as a local building code. *Veeck*, 293 F.3d at 802. In similar circumstances, the First, Second and Ninth Circuits have refused to terminate or strip copyrights from building codes (*BOCA*), car valuations

(*CCC Info*), tax maps (*County of Suffolk*) and a uniform medical code (*PMI*), all of which had been enacted or adopted into regulations or statutes by some level of government. The First, Second and Ninth Circuits relied principally on the same two opinions of this Court in reaching their decisions, *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591 (1834) and *Banks v. Manchester*, 128 U.S. 244 (1888), as did the Fifth Circuit in the matter at hand. *Veeck*, 293 F.3d at 795.

Neither *Wheaton* nor *Banks* addressed any question of the copyright status of privately authored works. Each addressed the copyright status of judicial opinions, which were not copyrightable.[8] *Banks*, 128 U.S. at 253. Yet from these two opinions flow the Fifth Circuit's conclusion that the code, once adopted, lost its copyright. The Fifth Circuit read *Wheaton* and *Banks* "to enunciate the principle that 'the law,' whether it has its source in judicial opinions or statutes, ordinances or regulations, is not subject to federal copyright law." *Veeck*, 293 F.3d at 800. This was not the Court's holding in either *Wheaton* or *Banks*. The Fifth Circuit's analysis of *Wheaton* and *Banks*, and its conclusion based on this analysis, also conflicts with that of the other Circuit Courts of Appeal which have addressed the issue.

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8. The Fifth Circuit also relies on *Nash v. Lathrop*, 142 Mass. 29, 6 N.E. 559 (1886), *Davidson v. Wheelock*, 27 F. 61 (D. Minn. 1866), and *Howell v. Miller*, 91 F. 129 (6th Cir. 1898), for its conclusion that government adoption of a privately authored work terminates or transfers its copyright. *Veeck v. Southern Bldg. Code Congress Int'l, Inc.*, 293 F.3d 791, 796 (5th Cir. 2002) (*en banc*). *Nash*, again, dealt with judicial opinions; *Davidson* and *Howell* involved uncopyrightable and publicly "authored" state statutes. All are inapplicable to the matter at hand.

The Fifth Circuit, in reaching its conclusion, rejected the earlier analysis of *Wheaton* and *Banks* enunciated by the First Circuit in *BOCA* (628 F.2d at 734), and adopted by the Second Circuit in *CCC Info* and *County of Suffolk*, and the Ninth Circuit in *PMI*. This analysis is succinctly stated in *County of Suffolk*:

> [T]wo considerations influence whether a particular work may be deemed in the public domain: (1) whether the entity or individual who created the work needs an economic incentive to create or has a proprietary interest in creating the work and (2) whether the public needs notice of this particular work to have notice of the law.

261 F.3d at 194. *See also Veeck*, 293 F.3d at 796-97. The second prong of the *BOCA* analysis is a due process one — so long as the law is generally available, then the public has notice and access.[9] *BOCA*, 628 F.2d 734, *PMI*, 121 F.3d at 518-19. It is this analysis, not the Fifth Circuit's conclusion (that "the law" is not copyrightable), that should determine the present situation.

Callaghan v. Myers, 128 U.S. 617 (1888), decided by this Court soon after *Banks*, interpreted *Wheaton* and *Banks*, and focused on the issue of authorship. *Callaghan*, 128 U.S. at 649-50 ("it was held, that the opinions of the court, being published under the authority of Congress, were not the proper subject of private copyright"). The public, or government, was the "author" in *Wheaton, Banks* and *Callaghan*. There

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9. "Access" does not mean Veeck is entitled to a free copy of the code. Access requires fair warning of conduct prohibited or regulated by statute or regulation. *See County of Suffolk, N.Y. v. First Amer. Real Estate Solutions*, 261 F.3d 179, 195 (2nd Cir. 2001).

is no question that SBCCI, a private entity, was the author of the subject code and was entitled to its copyright. *Veeck*, 293 F.3d at 794 and 802. *See Community for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989) (the author is the party who actually creates work which is entitled to copyright protection).

The Fifth Circuit's reliance on a single sentence in *Banks* for its termination of SBCCI's private copyright ("The whole work done by the judges constitutes the authentic exposition and interpretation of the law, which, binding every citizen, is free for publication to all, whether it is a declaration of unwritten law, or an interpretation of a constitution or statute." *Banks*, 128 U.S. at 253) is misplaced. *Banks* did not decide that a private property right was somehow terminated or converted to a public one by adoption — it simply found that judicial opinions were not copyrightable. Changing circumstances since *Wheaton*, *Banks* and *Callaghan*, and the conflicting interpretation of this Court's opinions by the Circuit Courts of Appeal, dictate that this Court review these important issues.

B. Congress Did Not Intend Government Reference to Private Codes to Somehow Transfer or Void the Copyright of Such Codes.

Congress has mandated the federal agencies use private standards and codes whenever possible. As recognized by the *Veeck* dissent, this Congressional intent was clearly enunciated in OMB A-119 and the National Technology Transfer and Advancement Act. *Veeck*, 293 F.3d at 814-15.

OMB A-119, revised in 1993, established the policy to be followed by executive agencies in their utilization of standards.[10] That clearly enunciated policy was for the federal government, in procurement and regulatory activities, to rely on privately developed voluntary consensus standards wherever possible. OMB A-119(6)(a). The Circular also states:

> Voluntary standards adopted by Federal agencies should be referenced, along with their dates of issuance and sources of availability, in appropriate publications, regulatory orders, and related in-house documents. **Such adoption should take into account the requirements of copyright and other restrictions.**

OMB A-119 (7)(a)(5) (1993) (*emphasis added*). OMB A-119 established federal policy governing the adoption of privately authored standards and clearly provided this adoption would have no impact on existing and applicable copyrights. OMB A-119 was revised in 1998[11] to make it consistent with the NTTAA. *See* 63 Fed. Reg. 85,445 (1998). OMB A-119 now mandates use of voluntary consensus standards such as those of ASTM.[12] *See* OMB A-119(6) (1998). The purpose of this mandate is to reduce costs to federal taxpayers of the

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10. The 1993 revision of OMB A-119 superseded OMB Circular No. A-119, dated October 26, 1982, which was rescinded.

11. The 1998 revision of OMB A-119 is available at the Defense Standardization Program web site, (http://www.dsp.dla.mil/documents/omb_a119.pdg), and on the White House website, (http://www.whitehouse.gov/omb/circulars/a119/print/a119.html).

12. "All federal agencies must use voluntary consensus standards in lieu of government—unique standards in their procurement and regulatory activities, except where inconsistent with law or otherwise impractical." OMB A-119 (6).

government producing its own standards. OMB A-119 (2)(a).

Agencies have taken Congress' dictates to heart. The National Institute of Standards and Technology ("NIST"), a non-regulatory federal agency within the U.S. Commerce Department (15 U.S.C. § 272), is required by OMB A-119 and the NTTAA to compile annual reports to Congress providing information on federal government use of voluntary consensus standards.[13] These reports document extensive and growing use by federal agencies of copyrighted standards. NASA's 2001 Annual Report on OMB A-119 indicates this single agency alone used 922 voluntary consensus standards in fiscal year 2001.[14] In 1993, pursuant to executive order, a federal government-wide program — Environmentally Preferable Purchasing — was instituted, encouraging agencies to identify and purchase environmentally preferable products and services. EPA administers the program and requested standards development organizations ("SDOs") undertake to develop standards for the program.[15] ASTM, along with other private sector standards organizations, responded — at no cost to the government — to EPA's request. Such participation has now been placed at risk by the Fifth Circuit. The Congressional mandate that federal agencies adopt privately-authored standards and codes — without compromising the authors' copyrights in these stan-

13. NIST's Annual Reports on Implementation of OMB A-119 are *available at* (http://ts.nist.gov/ts/htdocs/210/nttaa/toolkit.htm#ann-rpts).

14. *See* Annual Report for NASA (FY 2001), *available at* (http://standards.nasa.gov/AnnualReportFinal_FY01.pdf).

15. *See* (http://www.epa.gov/opptintr/epp/guidance/standardspage.htm).

dards and codes — has been carried out by federal agencies with great savings to the taxpayers.[16] The Fifth Circuit's opinion places the future of this co-operative arrangement at risk.

C. SBCCI was the Author and Copyright Owner of the Code and the Fifth Circuit's Decision Deprived It of This Valuable Right.

The Fifth Circuit's opinion terminates or deprives SBCCI of its copyright in the code without any discussion or analysis. The Fifth Circuit initially found: "As the organizational author of original works, SBCCI indisputably holds a copyright in its building codes." *Veeck*, 293 F.3d at 794. The majority continued, however, finding that when two small Texas towns adopted SBCCI's 1984 Standard Building Code,[17] *id.*, SBCCI's copyright somehow terminated, with "the public" then becoming the "final author" and, apparently, its owners. *Id.* at 799.

SBCCI was the author of the code at issue. *Id.* at 794. The copyright in this code, as recognized by the Fifth Circuit, vested in SBCCI at fixation or publica-

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16. The Department of Defense reported significant cost avoidance or negotiated savings through use of voluntary consensus standards of $106 million for a single year. *Statement of Gregory E. Saunders, Director, Defense Standardization Program Office, Defense Logistics Agency, Before the Subcommittee on Technology, House Committee on Science, March 15, 2000, available at* (http://www.house.gov/science/saunders_031500.htm).

17. The trial court opinion indicates that the two Texas municipalities, Anna and Savoy, "under expressed agreements with SBCCI," enacted ordinances adopting SBCCI's codes by reference. *Veeck v. Southern Bldg. Code Congress Int'l, Inc.*, 49 F.Supp. 2d 885, 887 (E.D. Tex. 1999), *aff'd*, 241 F.3d 398 (5th Cir. 2001), *rev'd and remanded*, 293 F.3d 721 (5th Cir. 2002) (*en banc*).

tion. *Id.* at 794. As a result of the Fifth Circuit's holding, ownership of that bundle of rights was subsequently and involuntarily transferred to the public at the time of its adoption by a local municipality. *Id.* at 799. The legal mechanism of the transfer is neither described nor discussed by the majority. This transfer, on the facts recited, appears to have been involuntary, as SBCCI is nowhere alleged to have consented (and its pleadings and briefs make clear that it did not so consent).[18] The Copyright Act specifically addresses involuntary transfer of copyrights:

> **Involuntary Transfer.** — When an individual author's ownership of a copyright, or any of the exclusive rights under a copyright, has not previously been transferred voluntarily by that individual author, no action by any governmental body or other official or organization purporting to seize, expropriate, transfer, or exercise rights of ownership with respect to the copyright, or any of the exclusive rights under a copyright, shall be given effect under this title, except as provided under Title 11.

17 U.S.C. § 201(e). The Historical and Statutory Notes relating to this sub-section clearly and emphatically state:

> The purpose of this subsection is to reaffirm the basic principle that the United States copyright of an individual author shall be secured to that author, and cannot be taken away by involuntary

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18. The trial court found that SBCCI expressly reserved its copyright in the codes adopted by the municipalities, and that no waiver of that copyright occurred. *Veeck*, 49 F.Supp 2d at 891.

> transfer. It is the intent of the subsection that the author be entitled, despite any purported expropriation or involuntary transfer, to continue exercising all rights under the United States statute, and that the governmental body or organization may not enforce or exercise any rights under this title in that situation.

Nothing in the record below demonstrates a voluntary transfer by SBCCI of its copyright in the codes.[19]

The Fifth Circuit's entire discussion of this transfer consists of the following:

> Section 201(e) of the Act reflects Congress' intention to protect copyright's from involuntary appropriation by government entities. 17 U.S.C. § 201(e). This is not, however, a "takings" case, not the least because SBCCI urged localities to adopt its model codes. The issue in the case is not the voluntariness of the appropriation but the legal consequences flowing from the permission that SBCCI gave.

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19. The Fifth Circuit's own description of the "transactions" between the two municipalities and SBCCI appears to contradict a finding of voluntariness. The Fifth Circuit noted Peter Veeck had easily purchased a copy of the code, which contained a copyright notice and license agreement. *Veeck*, 293 F3d at 793. The Fifth Circuit found ". . . SBCCI continues to assert its copyright prerogatives — exclusively to publish the codes and license their reproduction and distribution — even as to codes that have been adopted by local entities. . . ." *Id.* at 794. The "voluntary" transfer could not have been in writing, as the Fifth Circuit pointed out no licensing agreements are executed by SBCCI in connection with legislative adoption. *Id.* The written documentation requirement of 17 U.S.C. § 204(a) (written instrument required to transfer copyright) was therefore not met. In fact, the trial court's opinion indicates that SBCCI reserved all its rights. *See Veeck*, 49 F.Supp.2d 885, 887 (E.D. Tex. 1999).

Veeck, 293 F.3d at 803.[20] The Fifth Circuit apparently considered the transfer outside of the scope of § 201(e), although it does not explicitly state this. There is no legal or factual support demonstrated for this proposition.

Intellectual property, as do other types of property, enjoys constitutional protection afforded by the Fifth Amendment's command that "private property [shall not] be taken for public use, without just compensation." *U.S. Const. Amend V. See James v. Campbell*, 104 U.S. 356, 358 (1882) (patents); *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1003-04 (1984) (trade secrets). Copyrights are property for purposes of a Fifth Amendment Takings Clause analysis. *See Lane v. First Nat. Bank*, 871 F.2d 166, 174 (1st Cir. 1989); *Roth v. Pritikin*, 710 F.2d 934, 939 (2nd Cir. 1983). The casting of private property into the public domain appears on its face to constitute a government taking; an uncompensated one in the instant case. This issue, potentially affecting a number of organizations and the future ability of all levels of government to utilize privately developed codes, deserves greater explication and analysis then that given to it by the Fifth Circuit. The Fifth Circuit's broad and unsupported holding is

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20. The Second Circuit Court of Appeals, in *CCC Information Services, Inc. v. Maclean Hunter Market Reports, Inc.*, 44 F.3d 61 (2nd Cir. 1994), *cert. denied, 516 U.S. 817 (1995)*, reached the opposite conclusion: "[A] rule that the adoption of such a reference by a state legislature or administrative body deprived the copyright owner of its property would raise very substantial problems under the Taking Clause of the Constitution." *Id.* at 74.

extremely troubling. The lack of legal or factual parameters[21] surrounding this conclusion will inevitably lead to confusion and additional litigation without guidance from this Court.

21. The Fifth Circuit does exempt what it terms as "extrinsic standards" from its holding. *Veeck* at 804-05, but otherwise provides no guidance.

CONCLUSION

The Petition for Writ of Certiorari should be granted.

Respectfully submitted,

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No. 02-355

In the Supreme Court of the United States

SOUTHERN BUILDING CODE CONGRESS INTERNATIONAL, INC.,

Petitioner,

v.

PETER VEECK D/B/A REGIONAL WEB,

Respondent.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Fifth Circuit

BRIEF OF BUILDING OFFICIALS AND CODE ADMINISTRATORS INTERNATIONAL, INC., INTERNATIONAL CODE COUNCIL, INTERNATIONAL CONFERENCE OF BUILDING OFFICIALS AS *AMICI CURIAE* IN SUPPORT OF PETITIONER

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INTEREST OF THE *AMICI CURIAE*[1]

Building Officials and Code Administrators International, Inc. ("BOCA"), International Code Council ("ICC"), and International Conference of Building Officials ("ICBO") are *Amici Curiae* in support of the Southern Building Code Congress, International, Inc. ("SBCCI") petition for writ of certiorari and reversal of the judgment of the United States Court of Appeals for the Fifth Circuit.

Both Petitioner and Respondent have consented to the filing of this brief of *Amici Curiae*.

The interests of the *Amici Curiae* concern their intellectual property copyright rights. The model building codes involved in this case are part of a large genre of creative works, including model codes, standards, and other reference works (hereinafter collectively referred to as "standards"), that are developed by private, not-for-profit organizations and are made available for the use and adoption by government instrumentalities throughout the United States, and for use by the private sector. *Amici Curiae* (BOCA, ICC, and ICBO) are not-for-profit organizations that either develop or whose members

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[1] Pursuant to Supreme Court Rule 37.6, *Amici Curiae* state that no counsel for a party authored this brief in whole or in part; and that no person or entity, other than *Amici Curiae*, their members, and their counsel, contributed monetarily to the preparation and submission of this brief.

are involved in developing copyrighted standards which are widely used and adopted by local and state governments and federal agencies, as well as the private sector.[2] *Amici Curiae* use the revenue generated from the sales and licensing of their copyrighted standards to support the creation, refinement, and updating of their standards.

BOCA is an independent, voluntary membership, non-profit organization which has been in existence since 1915. BOCA is dedicated to preserving the public health, safety and welfare in the built environment through the creation and development of, and the effective, efficient use and enforcement of, model codes and standards. Over the past fifty years, BOCA has published and disseminated over 135 timely, consensus-based codes and standards pursuant to its mission. BOCA offers and encourages the use of these copyrighted codes and standards by the private sector and government. These codes and standards are also widely used and adopted by local and state jurisdictions throughout the United States, and used by such private organizations as the American Institute of Architects in their involvement with the construction and regulatory processes of the built environment.

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[2] *See* Addendum 1 to this *Amici Curiae's* brief filed with the Fifth Circuit below which contains fifty-two pages of over 700 citations to numerous statutes, rules, and/or regulations referencing C.F.R. and other provisions adopting by reference various third-party owned and developed standards including ACGIH, ANSI, API, ASTM, FASB, and NFPA codes and standards.

ICC was established in 1994 as a non-profit organization dedicated to developing a single set of comprehensive and coordinated national model construction codes.[3] Code enforcement officials, architects, engineers, designers and contractors can now work with a consistent set of standards throughout the United States. Moreover, manufacturers can put their efforts into research and development rather than designing various sets of standards. Consistent with its mission, ICC's development of model codes encourages uniform education and certification programs that can be used internationally in an effort to obtain consistent code enforcement and higher quality construction.

ICBO has been a leading source of building and construction codes for more than 75 years. ICBO provides its codes in an effort to ensure the public's safety. Like the other *Amici Curiae* herein, ICBO's codes as well as its certification programs result in safer, longer lasting, and more efficient buildings for the public generally.

The *Amici Curiae* and their members rely on copyright protection, and the ability it affords to generate revenue from the licensing and sales of the works they create, to fund the substantial costs of

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[3] SBCCI, the Petitioner, is a member of one of the *Amici Curiae*, ICC, but does not control ICC; nor has it made monetary or authorship contributions to the submission or preparation of this brief.

creating and continually refining and updating these works. The *Amici Curiae* are precisely the type of organizations which, together with the governments and public which they serve, are most severely affected by a holding invalidating the copyrights in works which are adopted by governmental entities.

For these reasons and for the reasons set forth in the briefs of the other *Amici Curiae*, the *Amici Curiae* have a direct and vital interest in the issues presented to this Court by the present case, and believe that they can provide the Court with additional perspective on the important policy considerations bearing on these issues. *Amici Curiae* respectfully and vigorously urge the Court to grant the Writ of Certiorari and reverse the judgment of the Fifth Circuit Court of Appeals.

SUMMARY OF ARGUMENT

In a clearly divided Court, the *en banc* Fifth Circuit Court of Appeals[4] has created chaos and uncertainty concerning the intellectual property rights of model code and standard developing organizations. Not only has the Fifth Circuit's decision created a conflict between itself and other Circuit Courts of

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[4] Pet. App. 1a – 66a. The decision was nine to six with two strongly written dissents: one dissenting opinion by Circuit Judge Higginbotham and joined by Chief Judge King, and Circuit Judges Davis and Stewart; and one dissenting opinion by Circuit Judge Wiener and joined by Chief Judge King, and Circuit Judges Higginbotham, Davis, Stewart, and Dennis.

Appeal, but also a conflict between itself and federal statutes authored by Congress and regulations of federal administrative agencies. Furthermore, the Fifth Circuit's decision in violation of the U.S. Constitution, Fifth Amendment, and the U.S. Copyright law (17 U.S.C. §201(e)), has taken the intellectual property rights - the copyright rights - of the model code and standard developing organizations. As for the economic impact of the Fifth Circuit's decision, it will severely reduce the efficiency of the model codes and standards writing and management process, impede the development and establishment of uniform, up-to-date, building codes and standards in the United States, and therefore increase the costs to builders and to the public of obtaining and enforcing the latest standards of building safety.

ARGUMENT

The history of this case is set forth in the Petition. It is necessary for this Court to grant the Writ of Certiorari (a) to resolve the conflicts between the Circuit Courts of Appeals, and other conflicts, created by the decision of the Fifth Circuit; (b) to redress the unlawful taking of the property rights by the Fifth Circuit; and (c) to stabilize the law in this area and thereby restore economic sense to the marketplaces thrown into turmoil by the Fifth Circuit decision. If the Court fails to grant the requested Writ of Certiorari, the model codes and standards industry will be left in a state of legal chaos and confusion over its copyright rights, the value of which, according to the Fifth

Circuit, evaporates when the model codes and standards are adopted by a government entity. As such, the *Amici Curiae*, and other similarly situated copyright owners, are now faced with a lack of uniformity in the enforceability of their copyright rights, to wit, the Second and Ninth Circuits enforce these valuable copyright rights, and the Fifth Circuit does not.

Furthermore, other copyright owners (e.g., authors of schoolbooks) whose works are mandated by a government entity for use stand at risk of losing their copyrights as well because of the Fifth Circuit's decision. As the Second Circuit states in *CCC Information Services, Inc. v. Maclean Hunter Market Reports*, 44 F.3d 61, 74 (2d Cir. 1994): "For example, a rule that the adoption of such a reference by a state legislature or administrative body deprived the copyright owner of its property would raise very substantial problems under the Takings Clause of the Constitution. We note also that for generations, state education systems have assigned books under copyright to comply with a mandatory school curriculum. It scarcely extends CCC's argument to require that all such assigned books lose their copyright--as one cannot comply with the legal requirements without using the copyrighted works. Yet we think it unlikely courts would reach this conclusion." The bottom line is that the *en banc* Fifth Circuit decision creates a blanket rule that once a copyrighted work is enacted (even by incorporation by reference) into a regulation or law, the work loses its

entire copyright protection, *ipso facto*, regardless of the nature of the author, the character of the work, or the relationship of the copier to the work or to the government entity that enacted the work into law through incorporation by reference.[5] This rule of the Fifth Circuit is contrary to other circuit courts of appeal and thereby disrupts the uniform enforceability of the copyrights in the model codes and standards.

The Conflicts Created by the Fifth Circuit's Decision.

The majority falters in its analysis of the applicable law. Copyright jurisprudence teaches that a pivotal question in the analysis of copyright law is: Who is the author? As applicable to the facts of the instant case, are the judges who author court decisions the author? Are the legislators who author statutes the author? Are government agencies promulgating regulations the author? Are the private nonprofit organizations that develop model codes and standards, which are adopted into law through incorporation by reference, the author? In the cases from this Court erroneously cited by the Fifth Circuit in support of its decision, the authors of the "law" were judges, not private individuals or a private nonprofit entity such as the Petitioner in this case. *Banks v. Manchester*, 128 U.S. 244 (1888); *Wheaton v. Peters*, 33 U.S. 591 (1834). In both *Wheaton* and *Banks*, the authors of the subject works were the judges who wrote the decisions ("the judicial

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[5] *See* Circuit Judge Wiener's dissenting opinion at Pet. App. 31a - 66a.

officers in the discharge of their judicial duties." *Banks*, 128 U.S. 244, 253). Thus, the Fifth Circuit *en banc* decision misinterprets these cases of the United States Supreme Court.[6]

Furthermore, the Fifth Circuit *en banc* decision is in conflict with the Second Circuit[7] and the Ninth Circuit.[8] In addition, the Fifth Circuit is in conflict with the Congress' and the administrative agencies' position on the use of privately created model codes and standards.[9]

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[6] *See also Feist Publications Inc. v. Rural Tel. Service, Co.*, 499 U.S. 340 (1991).

[7] *County of Suffolk v. First American Real Estate Solutions*, 261 F.3d 179, 193 (2d Cir. 2001) ("The determination that no one may own a copyright in statutes and opinions arises not from a specific provision of the Copyright Act, but from a 'judicial gloss' on the Act."), citing *Building Officials & Code Administrators v. Code Technology*, 628 F.2d 730, 735 (1st Cir. 1980); *CCC Information Services, Inc. v. Maclean Hunter Market Reports*, 44 F.3d 61, 74 (2d Cir. 1994) ("We are not prepared to hold that a state's reference to a copyrighted work as a legal standard for valuation results in loss of the copyright.").

[8] *Practice Management Info. Corp. v. American Medical Association*, 121 F.3d 516 (9th Cir. 1997), cert. denied, 522 U.S. 933 (1997), opinion amended on other grounds, 133 F.3d 1140 (9th Cir. 1998).

[9] National Technology and Transfer Act of 1995 ("NTTA"), P.L. 104-113, §12(d), 110 Stat. 783 (1996) in which Congress

The Fifth Circuit's Decision Results in an Unconstitutional Taking of the Copyright Owner's Property Rights.

The Fifth Circuit's decision casts a dark cloud over copyright owners' legal rights: beware of success, because if your copyrighted works are adopted by a government entity, you will lose your intellectual property rights. The decision creates an irrebuttable presumption that the act of adoption of the copyrighted work (e.g., the model codes and standards) by a government entity means that the copyright owner intended to place a copyrighted work into the public domain. Through this action, the Court is effectively regulating the copyright owner's control over and use of the copyrighted work. As this Court states in *Palazzolo v. Rhode Island*, 533 U.S. 606, 617 (2001): "In *Pennsylvania Coal Co. v. Mahon*, 260 U.S. 393 (1922), the Court recognized that there will be instances when government actions do not encroach upon or occupy the property yet still affect and limit its use to such an extent that a taking occurs. In Justice Holmes' well-

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expressly directs "Federal agencies and departments shall use technical standards that are developed or adopted by voluntary consensus standards bodies." OMB, Circular A-119, 63 Fed.Reg. 8545, 8555 (Feb. 19, 1998) designed to provide guidance to federal agencies regarding NTTA requires that "[i]f a voluntary standard is used and published in an agency document, your *agency must observe and protect the rights of the copyright holder and any other similar obligations.*" (Emphasis added.)

known, if less than self-defining, formulation, 'while property may be regulated to a certain extent, if a regulation goes too far it will be recognized as a taking.' *Id.* at 415."

Model codes and standards are protected by copyright (17 U.S.C. §101 *et seq.*) and in no instance heretofore has an adoption by a government entity resulted in the taking of the owner's underlying copyrights. The United States Constitution, Fifth Amendment (applicable to the States through the Fourteenth Amendment), states: "...nor shall private property be taken for public use, without just compensation." An interest in copyright is a property right protected by the due process and just compensation clauses of the Constitution. *Roth v. Pritikin*, 710 F.2d 934, 939 (2d Cir. 1983) (citing *Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 74 (1982); *Pruneyard Shopping Center v. Robins*, 447 U.S. 74 (1980).) Thus, the Fifth Circuit's decision, and the resulting taking of the copyright owner's copyright property by thrusting it into the public domain, is contrary to the Fifth Amendment of the U.S. Constitution.

Also, despite the taking of the copyright as determined by the Fifth Circuit, the copyright law (17 U.S.C. §201(e) "Involuntary transfer.") specifically forbids such an act: "...**no action by any governmental body** or other official or organization **purporting to seize, expropriate, transfer, or exercise rights of ownership with respect to the copyright**, or any of the exclusive rights under a copyright, **shall be given**

effect under this title." (emphasis added.) The legislative history of the copyright law clearly recognizes this conclusion as well when Congress says: "**The purpose of this subsection is to reaffirm the basic principle that the United States copyright of an individual author shall be secured to that author, and cannot be taken away by any involuntary transfer**. It is **the intent of the subsection** that the author be entitled, despite any purported expropriation or involuntary transfer, to continue exercising all rights under the United States statute...."[10] (Emphasis added.) However, the majority in the Fifth Circuit disregards the plain meaning of both the federal statute

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[10] As stated in the legislative history for 17 U.S.C. §201(e): "Subsection (e) provides that when an individual author's ownership of a copyright, or of any of the exclusive rights under a copyright, have not previously been voluntarily transferred, no action by any governmental body, or other official or organization purporting to seize, expropriate, transfer, or exercise rights of ownership with respect to the copyright, or any of the exclusive rights under a copyright, shall be given effect under this title. The purpose of this subsection is to reaffirm the basic principle that the United States copyright of an individual author shall be secured to that author, and cannot be taken away by any involuntary transfer. It is **the intent of the subsection** that the author be entitled, despite any purported expropriation or involuntary transfer, to continue exercising all rights under the United States statute, and that **the governmental body or organization may not enforce or exercise any rights** under this title in that situation." H.R. REP. 94-1476 for P.L. 94-553 (1976). (Emphasis added.)

(17 U.S.C. §201(e)) and its legislative history. *Amici Curiae* urge this Court not to lose sight of this plain meaning in light of Veeck's clear and unequivocal infringement of SBCCI's (Petitioner's) copyrights.

In addition to the legislative history of 17 U.S.C. §201(e), the legislative history of 17 U.S.C. §105[11] is informative. The House Judiciary Committee stated in its report: "The committee here observes: (1) there is nothing in section 105 [this section] that would relieve **the Government of its obligation to secure permission in order to publish a copyrighted work**; and (2) publication or other **use by the Government of a private work would not affect its copyright protection in any way**." Notes of Committee on the Judiciary, House Report No. 94-1476, U.S. Code Cong. & Admin. News 1978. (Emphasis added.) Yet, contrary to Congress' intent, the majority did exactly what Congress says it does not want to happen ("**use by the Government of a private work would not affect its copyright protection in any way**"), to wit, the government's taking of the copyright. Such a taking is contrary to much precedent including the United States Copyright statute, Congress' intent as recorded in the

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[11] 17 U.S.C. §105: "Copyright protection under this title is not available for any work of the United States Government, but the United States Government is not precluded from receiving and holding copyrights transferred to it by assignment, bequest, or otherwise."

legislative history, and the decisions[12] of other United States Courts of Appeal.

An examination of the taking issue in the context of patents reveals that it took a world war and an act of Congress to allow the U.S. government to use the patent rights of patent owners[13] and then such use was subject to the requirement of compensation to the patent owner.[14]

The Fifth Circuit's Decision Creates a Negative Economic Impact on the Marketplace.

Currently, regulation as to "where" buildings are built (e.g., zoning laws, environmental laws, historic preservation laws) currently represent a greater cost to residential development than those for "how" buildings are built (e.g., building codes).[15] However,

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[12] *See, e.g., CCC Information Services, Inc. v. Maclean Hunter Market Reports,* 44 F.3d 61 (2d Cir. 1994); *Practice Management Info. Corp. v. American Medical Association,* 121 F.3d 516 (9th Cir. 1997), cert. denied, 522 U.S. 933 (1997), opinion amended on other grounds, 133 F.3d 1140 (9th Cir. 1998).

[13] 65 P.L. 182, 65th Cong. Ch. 114, 40 Stat. 704 (1918).

[14] 28 U.S.C. §1498.

[15] National Association of Home Builders, "The Truth About Regulatory Barriers to Housing Affordability," (pages 4, 9, 14) (1998) available at http://www.nahb.com /housing_issues/ regulate.pdf.

the code development process does not occur in a vacuum, nor without expense. The decision of the Fifth Circuit, by cutting off the revenue stream flowing from the copyright rights, drains the primary funding source for consensus based model codes and standards created by nonprofit organizations that rely on that revenue stream to support the model codes and standards development and maintenance process. Without that revenue, these nonprofit organizations, such as the *Amici Curiae* and the Petitioner, will not be able to fund the development and maintenance of the model codes and standards. Nevertheless, the judgment of the Fifth Circuit appears to assume that some hypothetical funding system will magically appear when the copyright revenue is denied the model code and standard organizations.

If the nonprofit organizations that create and maintain consensus based model codes and standards disappear because their primary source of revenue (i.e., the revenue from their copyright rights) is destroyed as a result of the Fifth Circuit's decision, the need for codes and standards in the built environment will remain. In order to fill that need, government agencies will have to pay for the creation of codes and standards.

Presently, the model codes are paid for by the users of the model codes (equivalent to a "use" tax). As a result of the Fifth Circuit's decision, each and every model code and standard writing organization, many of whom are *Amici Curiae* in support of Petitioner in

this case, loses the ability to earn a revenue from their copyrighted works. The model code and standard writing industry, as it has evolved to the present, will be thrust into financial and legal chaos and uncertainty if it has its valuable copyright rights, and the revenue that flows there from, taken. Few industries, if any, could continue if their revenue streams were taken away as the Fifth Circuit has ruled. The practical implication of the Fifth Circuit's decision is that if the nonprofit organizations that create the model codes and standards were to cease publication, then every taxpayer would have to contribute in the form of increased taxes to pay for the cost of the development of the building code by the taxpayer's respective community (currently it is zero or minimal since the model code organizations do not charge the government entity anything for incorporating a model code by reference).

As reported in "Codes and Code Administration, An Introduction to Building Regulations in the United States" by Richard L. Sanderson (1969, published by Building Officials Conference of America, Inc., at page 9), New York City spent a million and a half dollars ($1,500,000.00) to write its 1968 building code. In 2001 dollars that would be the equivalent of about Seven Million Six Hundred Thousand Dollars ($7,600,000.00).[16] Could the communities of Anna and Savoy, Texas afford this

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[16] As per the U.S. Bureau of Labor Statistics (http://www.bls.gov) inflation calculator.

cost?[17] Very few communities could afford the cost to develop and maintain the quality building codes needed in today's environment, let alone one that will assure compatibility with neighboring communities as available with the model codes.

Furthermore, even if the communities who need building codes could afford the cost, they would not be in the best position to create and maintain consensus based codes which were up-to-date, uniform and compatible with neighboring communities. This would create a multitude of building codes, which would lack the uniformity, quality, and consensus based analysis of the model code development process. The building industry would lose the efficiencies of dealing with uniform model codes. Such a loss of efficiency in the building process would result in increased construction costs. In all likelihood these increased costs would be passed along to the consumer as increases in the cost of building new construction and maintaining existing properties. At the same time, such change will distort the perception of these costs in the construction market.

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[17] According to the 2000 census, Anna, Texas, has a total population of 1,225, and Savoy, Texas, has a population of 850. (http://www.census.gov/Press-Release/www/2001/tables/redist_tx.html). Thus, based on the historical cost for one city, New York, to develop its own building code, if Anna, Texas, decided to create its own building code, the per capita cost in 2001 dollars, would be about $6,200. And, that is for only creating the building code and does not include the cost to maintain it.

This is on top of the costs to communities of creating and enforcing their own codes!

As recent statistics[18] have shown, the cost of the American dream of home ownership is getting further away from the average citizen. Yet, through destroying the copyrights in model codes which help protect public health, safety, and welfare, the Fifth Circuit's decision would bring about an increase in costs to the taxpayer and potential homeowners by requiring local communities to pay the cost of developing building codes.[19] To recap, the Fifth Circuit decision would

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[18] According to the Office of Federal Housing Enterprise Oversight (http://www.ofheo.gov/house/) ("OFHEO"), the average American home increased in market value by 8.8 percent from the first quarter of 2000 through the first quarter of 2001. OFHEO tracks over 180 of the largest markets in the country. 8.8 percent is the highest rate of home price inflation measured by the federal agency in over 15 years.

[19] The Bureau of Economics of the Federal Trade Commission prepared a staff report titled "Local Building Codes and the Use of Cost-Savings Methods" (December 1988) (the "FTC Report"). The FTC Report (at page iii) states "Previous studies concluded that locally-drafted building codes increase construction costs for single-family houses. Using more recent information, this study finds that locally-drafted building codes no longer significantly increase building costs.... almost all localities now have either adopted ... model codes or are covered by a state code based on ... model codes." This FTC Report also refers to a study of 162 cities during 1981 and states (at page iv): "The study

transfer code development and maintenance costs from the users of the codes to the general taxpayers, reduce the efficiency of the code writing and maintenance process, lessen the ability of communities to obtain the most up-to-date and uniform information regarding codes and standards, and increase the costs to the construction market of adhering to the codes and standards.

CONCLUSION

Amici curiae respectfully request that the Court grant the petition for a writ of certiorari and reverse the judgment below.

Respectfully submitted.

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finds that building codes are not written locally in 97 percent of these jurisdictions. Virtually all these cities have adopted model codes or are covered by state codes based on a model code."

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No. 02-355

In the Supreme Court of the United States

SOUTHERN BUILDING CODE CONGRESS INTERNATIONAL, INC., PETITIONER

v.

PETER VEECK, D/B/A REGIONAL WEB

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE

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QUESTION PRESENTED

This case concerns model codes, written and copyrighted by a private organization. The codes apply to the construction, alteration, use, occupancy, and maintenance of buildings and the electrical, plumbing, mechanical, and gas systems in them and provide criminal misdemeanor penalties for failure to comply. The private organization offers the codes to governmental entities for enactment into law. Two municipalities enacted ordinances that adopted the model codes by reference. The question presented is:

Whether copyright law gives the private organization the right to restrict individuals from making copies of the material incorporated by reference in the municipal codes of the two municipalities.

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SOUTHERN BUILDING CODE CONGRESS INTERNATIONAL, INC., PETITIONER

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ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE

This brief is submitted in response to the order of this Court inviting the Solicitor General to express the views of the United States. The court of appeals reached the correct result in this case, and its decision does not conflict with other decisions addressing significantly different uses of copyrighted material by the government. Development by the lower courts of the law in this area would further clarify the effect, if any, that different government uses of copyrighted materials have on the copyright of those materials. Accordingly, plenary review of this case is not warranted.

STATEMENT

1. Petitioner Southern Building Code Congress International, Inc. (SBCCI) is a nonprofit organization that creates and updates model codes, including five involved in this case: standard building, fire prevention, gas, mechanical, and plumbing codes. Pet. App. 2a, 103a. SBCCI has approximately 14,500 members, including about 2400 cities, counties, states, and governmental agencies, as well as architects, engineers, building contractors, trade associations, manufacturers, students, and colleges. Pet. 1a-2a; R. 152.[1] SBCCI copyrights all of its model codes. Pet. App. 68a. With SBCCI's express permission and without cost, thousands of municipalities have enacted some or all of these model codes into law as their own codes. Pet. 2. SBCCI places a notice on its model codes instructing that they can be adopted only by reference; they may not be set forth verbatim in the enacting ordinance. R. 538; see, *e.g.*, Standard Building Code at ii.[2]

SBCCI raises revenue by selling copies of its model codes. The price of its 1994 Standard Building Code, for example, is $48 for SBCCI members and $72 for nonmembers. Pet. App. 33a n.1. Approximately $3 million of SBCCI's $9 million annual revenue is said to be derived from the sale of its model codes. *Id.* at 47a n.24; see *id.* at 26a n.21.

2. The towns of Savoy and Anna, Texas, enacted five of SBCCI's model codes by reference—the standard building, fire prevention, gas, mechanical, and plumbing

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[1] "R." refers to the record on appeal filed in the court of appeals.

[2] This brief cites the 1994 editions of the model codes at issue. The codes themselves were not made a part of the record in this case.

codes. Pet. App. 2a; see, *e.g.*, Anna, Tex., Ordinance No. 95-15, § 1, *reprinted in* App., *infra*, 1a ("Be it ordained by the City of Anna that the following Codes are hereby adopted by reference as though they were copied herein fully."). The standard codes are generally available to the public at local government offices and libraries, although neither Savoy nor Anna has a public library and there is reason to believe that finding copies of the codes may be difficult. Pet. App. 2a, 32a-33a & n.3, 68a; R. 601.

The codes are broadly applicable. The standard building and fire prevention codes apply not only to new construction and repair or alteration of buildings, but also to the "use and occupancy" and "maintenance" of existing buildings. Standard Building Code § 101.4.2. The mechanical and plumbing codes apply to "installation" of mechanical and plumbing items, including "alterations, repairs, [and] replacement." *E.g.*, Standard Mechanical Code § 101.4.5. The gas code applies to "installation" of gas equipment and the "operation of residential and commercial gas appliances." Standard Gas Code § 101.4.4. Violations of the codes are subject to criminal sanctions. R. 99; see, *e.g.*, Standard Building Code § 110 ("Any person * * * who shall violate a provision of this code, or fail to comply therewith * * * shall be guilty of a misdemeanor.").

3. Respondent Peter Veeck operates a nonprofit web site that provides free access to information about North Texas. Pet. App. 2a, 103a. He tried to obtain copies of the building codes of approximately 20 towns in Texas, including Anna and Savoy, but he was unsuccessful in obtaining any of the codes from the towns themselves. *Id.* at 68a-69a. He purchased the five 1994 standard codes from SBCCI on computer disks for $385. *Id.* at 103a; Pet. 4. Veeck posted the

codes on his web site. Pet. App. 2a. He did not indicate that they were SBCCI's codes or refer to SBCCI's copyrights, but instead identified them as the building codes of Anna and Savoy. *Ibid.*

SBCCI sent an infringement letter to Veeck, who then filed this declaratory judgment action against SBCCI. Pet. App. 3a. SBCCI counterclaimed for copyright infringement, unfair competition, and breach of contract. *Ibid.* The district court granted summary judgment for SBCCI on the infringement claim. *Id.* at 102a-116a. It enjoined Veeck and awarded SBCCI $2,500 statutory damages plus attorneys' fees. *Id.* at 113a-115a.

4. a. After a divided panel of the Fifth Circuit issued a decision affirming the district court's judgment, Pet. App. 67a- 101a, the court decided to rehear the case en banc and reversed. *Id.* at 1a-66a. The en banc court held that while SBCCI held a copyright on its model codes and could prevent copying of them as model codes, it did not have "the right wholly to exclude others from copying" them "to the extent to which they are adopted as 'the law' of various jurisdictions." *Id.* at 4a.

The court based its analysis on its reading of *Wheaton* v. *Peters*, 33 U.S. (8 Pet.) 591 (1834), and *Banks* v. *Manchester*, 128 U.S. 244 (1888), which held, as a construction of the Copyright Act, that judicial opinions cannot be copyrighted. See Pet. App. 5a-15a. The Fifth Circuit rejected SBCCI's argument that *Wheaton* and *Banks* apply only when the material is authored by a public official, such as a judge. See *id.* at 8a-15a. Instead, the Fifth Circuit held that "*Banks* represents a continuous understanding that 'the law,' whether articulated in judicial opinions or legislative acts or ordinances, is in the public domain and thus not amenable to

copyright." *Id.* at 7a. The court found that the *Banks* rule applies to the building codes that were enacted into law in this case.

The Fifth Circuit held that the "merger doctrine" also operates to permit individuals to copy the law of the two municipalities. Pet. App. 16a-20a. The Copyright Act excludes from copyright protection "any idea, procedure, process, system, method of operation, concept, [or] principle." 17 U.S.C. 102(b). The Fifth Circuit noted that "[i]f an idea is susceptible to only one form of expression, the merger doctrine applies and § 102(b) excludes the expression from the Copyright Act." Pet. App. 17a. Although model codes can be expressed in a wide variety of different ways, once they are enacted into law, they are "transformed into the 'fact' and 'idea' of the towns' building codes," the court held, adding that "Veeck could not express the enacted law in any other way." *Id.* at 19a. The court concluded that SBCCI therefore lost its copyrights in the codes as enacted because its otherwise copyrightable expression merged with the uncopyrightable fact or idea of the law. *Id.* at 20a.

In concluding that the municipal codes in this case could be freely copied, the court relied on the First Circuit's decision in *Building Officials & Code Administrators* v. *Code Technology, Inc.*, 628 F.2d 730 (1980) (*BOCA*)—the only other appellate case addressing a similar building code. Pet. App. 13a-15a. The court distinguished cases from the Ninth and Second Circuits holding that government adoption of a pre-existing private numbering system for medical conditions and a set of valuations for used cars did not vitiate the copyright holder's right to prevent others from making copies of the numbering system or set of valuations. See *Practice Mgmt. Info. Corp.* v. *Ameri-*

can Med. Ass'n, 121 F.3d 516 (1997) (*PMIC*) (numbering system), opinion amended by 133 F.3d 1140 (9th Cir. 1998), cert. denied, 524 U.S. 952 (1998); *CCC Info. Servs., Inc.* v. *Maclean Hunter Market Reports, Inc.*, 44 F.3d 61 (2d Cir. 1994) (used car valuations), cert. denied, 516 U.S. 817 (1995). The court stated that those cases merely involved "references to extrinsic standards," while this case involves "the wholesale adoption of a model code promoted by its author * * * precisely for use as legislation." Pet. App. 23a; see *id.* at 24a-26a.

Finally, the court stated that it was not persuaded that the loss of copyright protection would mean that SBCCI and other code-writing organizations would cease providing their services because of lost revenues. Pet. App. 26a-27a. The court stated that the "self-interest" of professionals in the affected fields can provide "powerful reasons stemming from industry standardization, quality control, and self-regulation to produce these model codes." *Id.* at 27a (quoting 1 Paul Goldstein, *Goldstein Copyright* § 2.5.2 (1998)). The court also suggested that code writers could follow the practice of compilers of statutes and judicial opinions and copyright the value they add in the form of commentary and other information. *Ibid.*

b. Judge Wiener filed a dissenting opinion, in which he was joined by all five of the other dissenting judges. Pet. App. 31a-66a. Judge Wiener stated that his analysis was "delimited by the particular * * * facts of the case," which include the facts that Veeck does not live or work in Anna or Savoy, that he posted the entire codes on his website, and that he did not allege that the towns denied him access to their codes. *Id.* at 35a. In Judge Wiener's view, *Wheaton* and *Banks* are "limited to the work of taxpayer-paid public officials who produce or interpret the law." *Id.* at 38a. According to

Judge Wiener, *Banks* teaches not that all law is not copyrightable, but that "[t]he question is one of public policy." *Id.* at 39a (quoting 128 U.S. at 253). He concluded that, although there are policy arguments in favor of stripping the copyright owner of protection when the code is enacted into law, the "scale of countervailing policy considerations is tipped * * * in favor of enforcing SBCCI's copyright vis-a-vis Veeck and any others (but only they) who are identically situated." *Id.* at 40a.

Judge Wiener also stated that federal statutes and regulations support SBCCI's position and that the majority's position would "substantially imping[e] on the financial incentive and ability [of SBCCI] to continue creating and revising its model codes." Pet. App. 47a n.24, 48a. In his view, technical codes and standards are "indispensable ingredients of Twenty-First Century life in this country," and the majority's decision has "predictably deleterious effects on these codes and standards, their authors, and the public and private entities that daily use and depend on them." *Id.* at 31a, 32a.

Judge Higginbotham also filed a dissent, joined by three other judges. Pet. App. 28a-31a. In Judge Higginbotham's view, the fact "[t]hat parts of the copied material contain the same expressions as the adopted codes of two Texas cities is no defense unless the use by the cities of the protected expression somehow invalidated SBCCI's copyright." *Id.* at 28a. He stated that, if SBCCI's right to prohibit copying is upheld, "[n]othing suggests that private entities will control access to 'the law,'" particularly in light of "the doctrines of fair use and implied license or the constitutionally footed right of persons to access the law." *Ibid.* Reading *Banks* more narrowly than the majority, he stated that *Banks* "is a case about authorship, about

the acquiring of copyrights by public officials, not a case invalidating the copyrights held by private actors when their work is licensed by lawmakers." *Id.* at 29a.

DISCUSSION

This case involves a comprehensive code specifically created for enactment into law and designed broadly to regulate the primary conduct of private parties. The court of appeals' holding that such a code may be copied by interested members of the public is correct, it is consistent with the views of the only other court of appeals to address the same issue, and it does not conflict with any decision of any other court of appeals. There is a broad range of differing governmental uses of a wide variety of different types of privately copyrighted materials. In a few cases, the courts of appeals have addressed the issues arising from such uses; they have divided between those involving the incorporation of copyrighted codes into laws that directly regulate primary conduct and those involving laws that reference copyrighted materials. In future cases, the courts of appeals can be expected further to develop the relevant differences between those two categories and thereby clarify the law in this area. To the extent a true conflict develops in the circuits, the Court could then review the issue with the benefit of further refinement of the relevant questions by the courts of appeals. Accordingly, further review is unwarranted.

A. There Is No Conflict In The Circuits

In the twenty years prior to this case, three other courts of appeals addressed the public's right to make copies of materials adopted or referred to in government regulations. The Fifth Circuit's narrow decision in this case is consistent with the only one of those decisions to address an analogous circumstance, and it

does not conflict with the two other decisions, which addressed substantially different factual and legal issues.

1. In *Building Officials & Code Administrators* v. *Code Technology, Inc.*, 628 F.2d 730 (1980), the First Circuit addressed an issue analogous to the one in this case. Massachusetts had adopted a building code that had been copyrighted by a private organization similar to SBCCI. A district court preliminarily enjoined a private party from copying the code and distributing it to others. *Id.* at 732. The First Circuit reversed on the ground that the copyright holder "has not demonstrated a sufficient probability that it will succeed" on the merits. *Id.* at 736. Analyzing a line of cases including this Court's decisions in *Wheaton* v. *Peters* and *Banks* v. *Manchester*, the Court observed that "[t]he law * * * seems clear that judicial opinions and statutes are in the public domain and are not subject to copyright." *Id.* at 734. Relying on that principle, the court stated that it was "far from persuaded that [the copyright holder's] virtual authorship of the Massachusetts building code entitles it to enforce a copyright monopoly over when, where, and how the Massachusetts building code is to be reproduced and made publicly available." *Id.* at 735. The court confronted the issue in the context of a preliminary injunction. Therefore, it did note that it "cannot altogether rule out the possibility that the simple rule of *Wheaton* v. *Peters* should be adapted in some as yet unknown manner to accommodate modern realities" and remanded for further proceedings. *Id.* at 736. But the court stated that it had "serious doubts as to [the copyright holder's] ability to prevail" and vacated the copyright holder's preliminary injunction. *Ibid.* The *BOCA* court's

reasoning and result generally support the Fifth Circuit's decision in this case.

2. a. Although petitioner contends (Pet. 8-12) that the court of appeals' decision conflicts with the Ninth Circuit's decision in *PMIC* and the Second Circuit's decision in *CCC Information Services*, that contention is mistaken. In *PMIC*, the federal government required applicants for medicare or medicaid reimbursement to use the numerical codes set forth in a book identifying medical procedures copyrighted by the American Medical Association (AMA), and a private party sought to distribute copies of the AMA's book. 121 F.3d at 516. The Ninth Circuit held that the AMA generally retained the right to limit or prevent publication by others of its numbering system. *Id.* at 519-520.

CCC Information Services involved the "Red Book," a privately created set of used car prices that state governments had adopted as an alternative standard for insurance companies to use in making payments for total losses in car accidents. 44 F.3d at 73 & n.29. Most of the Second Circuit's opinion in *CCC Information Services* addressed the copyrightability of the Red Book in the first instance. 44 F.3d at 64-73. But in a brief discussion at the end of its opinion, the court held that the Red Book had not fallen into the public domain. The court recognized that "there are indeed policy considerations that support" the argument that the used-car values could be freely copied, but the court held that it was "not prepared to hold that a state's reference to a copyrighted work as a legal standard for valuation results in loss of the copyright." *Id.* at 74.

b. As the Fifth Circuit correctly recognized, its decision in this case does not conflict with the decisions in *PMIC* or *CCC Information Services*. See Pet. App.

23a-26a. This case involves at least five features that were not present in one or both of those cases:

First, the codes in this case were created for the sole purpose of enactment into law, and SBCCI invited the towns of Anna and Savoy to enact them; in *PMIC* and *CCC Information Services*, the standards were created for other, private reasons and then adopted by organs of the federal or state government. See Pet. App. 25a.

Second, the codes in this case comprehensively govern a very broad range of primary conduct—*i.e.*, they regulate everyday conduct by private businesses and ordinary citizens, rather than the means by which a private party may obtain a government benefit (as in *PMIC*) or the specifications for a product or service to be sold to the government. Cf. *National Park Hospitality Ass'n* v. *Department of the Interior*, No. 02-196 (May 27, 2003), slip op. 6-7. Indeed, in SBCCI's terms (Pet. 26), the codes in this case may rightly be called "laws of general applicability."

Third, the codes in this case expressly regulate an entire area of private endeavor. The numbering system in *PMIC* and the Red Book car valuations in *CCC Information Services* did not themselves regulate any conduct; the government regulatory schemes involved in those cases were embodied in non-copyrighted statutes and regulations. See Pet. App. 24a-25a.

Fourth, unlike in *PMIC* and *CCC Information Services*, the codes in this case carry criminal penalties for their violation. Cf. *BOCA*, 628 F.2d at 734 (building codes "have the effect of law and carry sanctions of fine and imprisonment for violations").

Finally, Veeck made copies of the building codes of Anna and Savoy available to the public and did not identify or publish them as the SBCCI model codes. By contrast, the firms that sought to copy the AMA's

numbering system in *PMIC* and the Red Book in *CCC Information Services* attempted "termination of the AMA's copyright," 121 F.3d at 519, and a declaration that the Red Book of car valuations had "fallen into the public domain," 44 F.3d at 73. See Pet. App. 26a.

c. Because this case presents a setting so different from those in *PMIC* and *CCC Information Systems*, the Fifth Circuit correctly found that the decisions in those cases were "distinguishable in reasoning and result." Pet. App. 23a. Although some of the reasoning in *PMIC* differs from that in this case, neither the Ninth nor the Second Circuit was called upon to address the adoption into law of anything like the codes at issue here.[3] Moreover, much of the reasoning that was significant in *CCC Information Services* is of little import here.[4] In short, the opinions in *PMIC* and *CCC Information Services* did not purport to hold that governmental adoption of a privately created code could

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[3] The Ninth Circuit's reading of *Banks* v. *Manchester* in *PMIC* differed somewhat from that of the Fifth Circuit, see 121 F.3d at 518, and the Ninth Circuit also noted that "[n]on-profit organizations that develop these model codes and standards warn that they will be unable to continue to do so if the codes and standards enter the public domain when adopted by a public agency." 121 F.3d at 518-519. Despite those comments, however, the Ninth Circuit did not address facts similar to those present here, and its general comments in *PMIC* would certainly not be dispositive if that court faced the question whether the public may make copies in circumstances like those here.

[4] The Second Circuit in its brief discussion in *CCC Information Services* rested its decision in part on a concern that permitting free copying of the car valuation book "would raise very substantial problems under the Takings Clause of the Constitution." 44 F.3d at 74. That concern seems inapposite here, because SBCCI invited the towns to enact its building code and therefore would presumably not have a valid takings claim.

never affect the rights of the public to make copies of it, and they do not establish that there is a conflict in the circuits on the question presented in this case.[5]

B. The Fifth Circuit Correctly Decided This Case

1. In *Banks* v. *Manchester*, this Court held that the Copyright Act does not afford copyright protection to state judicial opinions. As the Court explained, "[t]he whole work done by the judges constitutes the authentic exposition and interpretation of the law, which, binding every citizen, is free for publication to all, whether it is a declaration of unwritten law, or an interpretation of a statute." 128 U.S. at 253. The Fifth Circuit understood that *Banks* stands for a general "understanding that 'the law,' whether articulated in judicial opinions or legislative acts or ordinances, is in the public domain and thus not amenable to copyright." Pet. App. 7a.[6] As the first Justice Harlan explained in

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[5] In its amicus brief in this Court in *PMIC*, the government took the position that *PMIC* was correctly decided and that further review by this Court was unwarranted. The government's brief noted as well that cases like *PMIC* pose a different question than did the wholesale incorporation into law of a building code, as in *BOCA*. See Br. of the United States at 11 n.14, *PMIC*, *supra* (No. 97-1254) (noting that "[t]he requirements at issue here and in *CCC Information Services* * * * are not backed up by any [criminal] sanctions and, unlike the model code in *BOCA*, they do not govern primary behavior").

[6] SBCCI contends that *Banks* stands for much narrower principles that are inapplicable here—that "the product of *public employees* performing government work belongs to the people" and that the "constitutional 'due process requirement of free access to the law' may prevent government officials from claiming 'copyright' ownership that restricts dissemination of information about the terms of 'the law' they create." Pet. 17. *Banks*, however, is not explicable on petitioner's grounds. The question presented in *Banks* was whether the State of Ohio could obtain a

an opinion filed while sitting on circuit, "any person desiring to publish the statutes of a state may use any copy of such statutes to be found in any printed book." See *Howell* v. *Miller*, 91 F. 129, 137 (6th Cir. 1898).

Those principles apply with full force in this case, because the building codes of Anna and Savoy are indistinguishable from other laws of general applicability that the public has always had the right to copy freely. The towns' building codes were created for the sole purpose of enactment into law, they comprehensively regulate a very broad area of primary conduct, they do not involve exceptional and unusually pervasive government regulation of a highly specialized industry, they are backed by criminal sanctions, and the party seeking to make copies seeks only to copy the portions of the codes actually enacted into law. If copyright

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copyright in state judicial decisions, so that it could give a publisher an exclusive right to publish those decisions. 128 U.S. at 245-247, 253. The fact that the authors of the opinions (the judges) were paid employees could not determine that question, because an employee's status on the payroll had nothing to do with the employee's ability to obtain a copyright and paid employees could of course assign their copyright to their employer (the State). In addition, less than a month after *Banks*, the Court held that the fact that a State pays a reporter who adds value to judicial opinions with marginal notes and the like does *not* preclude the employee from obtaining a copyright in the added value. *Callaghan* v. *Myers*, 128 U.S. 617, 647, 650 (1888) ("the question of a salary or no salary has no bearing upon the subject"). With respect to petitioner's contention that *Banks* was based on a "due process" rationale, the Court stated that its decision was based on a construction of the Copyright Act, not the Constitution. 128 U.S. at 252. Insofar as *Banks* relied on what petitioner describes as the "due process requirement of free access to the law" to construe the Copyright Act, its reasoning applies to materials that have been enacted into law in the relevant sense, regardless of their prior private or public authorship.

protection were nonetheless recognized, there would be "no outer limit on claims of copyright prerogatives by nongovernmental persons who contribute to writing 'the law,'" such as lobbyists or law professors. Pet. App. 12a-13a. An individual who drafted a statute or amendment later adopted by Congress could claim copyright in the text. The Fifth Circuit's conclusion that copyright protection does not apply to the kind of laws at issue here is correct.

That does not mean that every time the government makes a reference to a privately copyrighted work, the public may copy it freely. The Fifth Circuit properly noted that it was not ruling on the very different circumstances present in *PMIC* or *CCC Information Services*, nor addressing the very wide array of other circumstances in which privately developed codes or standards are used by government agencies. Pet. App. 23a-26a. Some government uses of some copyrighted materials may have no effect on the public's right to make copies. In short, although the Fifth Circuit reached the correct result in this case, neither that court nor the Second or Ninth Circuits nor the other courts of appeals have had the opportunity to examine the wide variety of government uses of privately copyrighted material that fall between this case and *PMIC*. In future cases, those courts can examine the distinctions between the various settings in which the government uses privately copyrighted material and develop the factors that clarify the limits of the *Banks* principle of a free right to copy the law.

b. SBCCI contends that the court of appeals' decision is inconsistent with federal statutes and regulations. That contention is wrong.

(i) Petitioner argues (Pet. 13) that the court of appeals' decision "flies in the face of the plain language" of 17 U.S.C. 201(e), which provides that

> [w]hen an individual author's ownership of a copyright * * * has not previously been transferred voluntarily by that individual author, no action by any governmental body * * * purporting to seize, expropriate, transfer, or exercise rights of ownership with respect to the copyright * * * shall be given effect.

Petitioner's contention is mistaken. Section 201(e) is inapplicable to this case by its terms, because it applies only to copyrights owned by "an individual author," not works owned by an entity such as SBCCI. Cf. 17 U.S.C. 201(a) (distinguishing between individual and joint works). More fundamentally, Section 201(e) addresses government actions avowedly intended to coerce a copyright holder to part with his copyright, so that the government itself may exercise ownership of the rights.[7] The towns of Anna and Savoy in this case did not "purport[] to seize, expropriate, transfer, or exercise rights of ownership with respect to" the building codes. Instead, they simply enacted the building codes into law, at petitioner's invitation. To the extent that action had some incidental legal effect on the

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[7] See H.R. Rep. No. 1476, 94th Cong., 2d Sess. 124 (1976) (noting that law "would protect foreign authors against laws and decrees purporting to divest them of their rights under the United States copyright statute, and would protect authors within the foreign country who choose to resist such covert pressures"); 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 10.04, at 10-56.5 (2003) (explaining that "it was feared that the Soviet Union * * * would [attempt] to enforce censorship in the United States of the works of its dissident authors").

citizens' ability to make copies, it still did not "purport to" expropriate the copyright. Section 201(e) simply does not address the legal effect of such enactment on a private party's right to copy the enacted material.

(ii) Petitioner also argues (Pet. 14-15) that the court of appeals "flouted" both 17 U.S.C. 105, which provides that copyright protection "is not available for any work of the United States Government," and a statute codified at 15 U.S.C. 272 note requiring federal agencies where practical to "use technical standards that are developed or adopted by voluntary consensus standards bodies." See 15 U.S.C. 272(b)(3). Neither of those statutes are pertinent here.

Section 105 has no application, because the federal government has not claimed copyright protection for any work at issue in this case. Nor would Section 105 be unnecessary under the Fifth Circuit's reading of *Banks*, because the United States Government generates substantial work product that is in no sense "the law" and that would be copyrightable in the absence of Section 105.

Similarly, the congressional policy embodied in the Section 272 note that encourages federal agencies to make use of privately set standards is not at issue in this case. This case does not involve a federal agency and the statute in any event does not address the legal consequences of governmental adoption of a particular code on the ability of members of the public to make copies. More to the point, as suggested above, nothing in the decision below or the copyright laws properly understood means that the mere "use" of a standard (as opposed to its adoption as a law of general applicability) affects the copyright status of the standard.

C. Further Development Of This Area Of The Law By The Lower Courts Will Likely Clarify The Effect On Standards Organizations

Petitioner argues (Pet. 27) that the decision in this case "will substantially undermine the financial capacity of standards-setting organizations to provide their services" because those organizations will no longer be able to rely on sales of copyrighted works. The continued ability of private standards organizations to develop and update their materials at a high level of quality and integrity is of substantial importance to the federal government; by our own count, the Code of Federal Regulations contains more than 7000 references to privately developed codes and standards, upon which federal agencies rely in a very wide variety of settings. Nonetheless, predictions of the effect of the Fifth Circuit's decision on private standards organizations is uncertain at best, and such predictions do not provide an independent basis to grant certiorari in this case.

If, as petitioner argues, the Fifth Circuit decision were understood as broadly applicable to *all* government adoption of and reference to privately developed standards and codes, the effect of the decision would still be highly speculative. The extent to which standards-setting organizations depend on the sale of copyrighted works no doubt varies widely, and such organizations have survived and prospered despite the threat to their copyright income that has existed at least since the First Circuit's decision in *BOCA* in 1980. Moreover, professionals in the fields affected by particular standards and codes may have ample incentive to continue to buy the "official" sets of standards notwithstanding the potential availability of other, unofficial editions. Even if profits from sales of copyrighted

materials were reduced, professionals in the field and others may have many reasons to ensure that broadly applicable standards and codes of high quality and integrity remain available.

In any event, the Fifth Circuit's decision is not a broad ruling applicable to *all* government adoption of and reference to privately developed standards and codes. As noted above, see p. 15, *supra*, the lower courts have not yet had the occasion to address the broad range of cases that may arise between *PMIC*, on the one hand, and the facts of this case, on the other. Insofar as the Fifth Circuit's decision in this case does not apply to the materials governments have adopted or referred to in a wide variety of other contexts, its effect on the financial health of private standards organizations is likely to be less significant. For this reason as well, further development in the lower courts is warranted. As the law in this area is developed in the lower courts, the impact on private standards organizations may become clearer and the resulting legal rules may be addressed by Congress or, in an appropriate case, by this Court.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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MAY 2003

APPENDIX

CITY OF ANNA, TEXAS

ORDINANCE NO. 95-15

AN ORDINANCE TO ADOPT VARIOUS STANDARD CODES RELATING TO INSPECTION ACTIVITIES OF THE CITY OF ANNA AND ENFORCEMENT OF BUILDING PROVISIONS AS PROVIDED IN SAID CODES.

Section 1. WHEREAS, it is the desire of the City of Anna to adopt, in all respects, the various Standard Codes relating to amusement devices, building, fire prevention, gas, housing, mechanical, plumbing and swimming pools and

WHEREAS, the adoption of these Codes is done to facilitate proper inspection activities by the City of Anna and relating to public safety, health and general welfare;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF ANNA that the following Codes are hereby adopted by reference as though they were copied herein fully:

Standard Amusement Device Code - 1985 Edition

Standard Building Code - 1994 Edition

Standard Existing Building Code - 1988 Edition with 1991/1994 Revisions

Standard Fire Prevention Code - 1994 Edition

Standard Gas Code - 1994 Edition

Standard Housing Code - 1991 Edition with 1992/1994 Revisions

Standard Mechanical Code - 1994 Edition

Standard Plumbing Code - 1994 Edition

Standard Swimming Pool Code - 1991 Edition with 1993/1994 Revisions

Standard Unsafe Building Abatement Code - 1985 Edition

Section 2. BE IT FURTHER ORDAINED BY THE CITY OF ANNA that any matters in said Codes which are contrary to existing Ordinances of the City of Anna, shall prevail and that Ordinance Nos. 103-85, Uniform Building Code; 105-87, Uniform Fire Code; 108-87, Uniform Mechanical Code; 109-87, Uniform Plumbing Code; are hereby repealed and, to that extent any existing Ordinances to the contrary are hereby repealed in the respect only.

Section 3. BE IT FURTHER ORDAINED that within said Codes, when reference is made to the duties of a certain official named therein, that designated official of the City of Anna who has duties corresponding to those of the named official in said Code shall be deemed to be the responsible official insofar as enforcing the provisions of said Code are concerned.

Section 4. BE IT FURTHER ORDAINED that this Ordinance shall take effect and be in force from and after its passage, the public welfare requiring it.

PASSED AND APPROVED BY THE CITY OF ANNA on the day of [Illegible]

APPROVED: /s/ Ronald R. Ferguson
MAYOR

ATTEST: /s/ [Illegible]
CITY SECRETARY

Supreme Court, U.S.
FILED
JUN 6 2003
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No. 02-355

In the Supreme Court of the United States

SOUTHERN BUILDING CODE CONGRESS INTERNATIONAL, INC.,

Petitioner,

v.

PETER VEECK D/B/A REGIONAL WEB,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

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Twice the Solicitor General's Office has addressed the issues raised by this case at the Court's request. The advice the SG gave in 1998 rested on sound analysis, and the Court properly accepted it. See Brief for the United States As *Amicus Curiae* in *Practice Management Info. Corp.* v. *American Medical Ass'n*, No. 97-1254 ("U.S. *PMIC* Br."). The contrary advice now being offered rests on muddled distinctions and should not be accepted. None of the three assertions on which the SG's current recommendation rests – that the decision below was correct, that there is no circuit split, and that the Court should await further litigation in other courts – withstands fair analysis.

I. THE DECISION BELOW WAS NOT CORRECT.

A. The Solicitor General's Office Was Right The First Time In Interpreting *Banks*.

The SG endorses the Fifth Circuit's position that "*Banks* stands for a general 'understanding that "the law" * * * is in the public domain and thus not amenable to copyright." (U.S. Br. 14.) He ignores the significance of the statement that *Banks* was concerned only with whether "the law" (as written by public officials) is "*amenable*" to copyright – that is, whether the public officials who "author" the law may *claim copyright* under the applicable statute. Five years ago, the petitioner in *PMIC* pressed the argument that the SG now embraces: that, under *Banks*, once the government incorporates privately written and copyrighted proposals as "the law," "no private organization can hold a copyright on such 'law.'" (U.S. *PMIC* Br. 6). The SG correctly disavowed that position as a distortion of *Banks* and the Copyright Act:

> "*Banks* has no application to the present case for two reasons. *Banks* addressed the copyright status of opinions written by judges to announce their decisions and reasoning in cases before them; ***it did not address any question regarding the copyright status of a work authored by a private entity***. The incorporation by

> reference of the CPT into federal regulations does not alter the fact that its author was the AMA, which wrote it as a private organization and not in the course of public employment. * * * Second, this Court's decision in *Banks* addressed the question whether a judicial opinion could receive copyright protection. ***This case by contrast concerns the termination of copyright protection for a work that was concededly entitled to such protection at the time it was written. Nothing in the Copyright Act – either at the time of*** **Banks** ***or at present – would permit a termination of copyright protection in these circumstances.***" U.S. *PMIC* Br. 6-7 (emphasis added).

The reasons why the SG correctly found *Banks* inapplicable in *PMIC* apply equally here. SBCCI authored its codes "as a private organization" and the work was "concededly entitled to [copyright] protection at the time it was written." The SG's current brief does not offer any reason for the about-face. Although the SG notes some differences between a model building code and other kinds of privately drafted standards that a government agency may choose to adopt as binding law, those differences are irrelevant to the soundness of the legal analysis the SG originally provided to the Court: *Banks* concerns only the question of the initial copyrightability of an official's writing in the first instance; nothing in the Copyright Act strips copyright protection from the private creator of a writing simply because a government agency requires its citizens to comply with requirements set forth in the copyrighted text.

The SG inexplicably has flipped on a purely legal question. He has not tried to explain why it now would become sound policy to undermine the widespread practice, followed by thousands of federal, state and local agencies, of relying on privately-authored, *copyrighted* codes and standards in carrying out their regulatory responsibilities.

As we have explained (Pet. 16-18), the Second and Ninth Circuits have correctly interpreted *Banks* as resting on two grounds: First, the product of public officials who draft the law does not qualify for a copyright under the Copyright Act; second, there is a constitutional policy promoting easy access to the law. *PMIC*, 121 F.3d 516, 518-519 (9th Cir. 1997); *County of Suffolk* v. *First Am. Real Estate Solutions*, 261 F.3d 179, 193-195 (2d Cir. 2001). Since neither ground is implicated in this case, *Banks* provides no basis for depriving SBCCI of the fruits of its validly acquired copyright.

Despite his position in *PMIC*, the SG now asserts that preserving copyrights for the drafters of model codes would allow any persons "who contribute to writing 'the law,' such as lobbyists or law professors," to claim copyrights. (U.S. Br. 16). This new concern is fanciful. For over a century, organizations like SBCCI have been drafting and copyrighting model codes and standards. As Judge Higginbotham explained in dissent below, thousands of units of government have chosen to draw upon those copyrighted materials *by incorporating them by reference*, rather than to draft the text of the laws themselves. In this way, they have respected the condition on which the copyrighted material was proffered. By contrast, there is not a single example of lobbyists or professors claiming a copyright in statutes based on their work. If a lobbyist were foolish enough to tender a draft statute with a copyright string attached, the legislature would have the option – which it surely would exercise – to reject the proposal entirely or craft its own text.

B. The Solicitor General Does Not Come To Grips With The Controlling Statutes.

One of the astonishing aspects of the SG's brief is that it fails to point to any section of the Copyright Act that purportedly would *authorize* stripping away copyright protection, once validly acquired, because the government subsequently incorporated the copyrighted material.

Instead, the SG simply asserts that 17 U.S.C. § 201(e), which expressly *prohibits* involuntary dilution of copyrights by government action, only protects *natural persons* who create copyrighted works, not *organizations* like SBCCI. (U.S. Br. 17-18). The SG cites no authority for his *ipse dixit* declaring that, by using the term "individual author," Congress intended only to protect the copyrights of natural persons, not those of organizations such as universities or book publishers. On the contrary, "individual" means "indivisible entity" or "a single person or thing." BLACK'S LAW DICTIONARY 777 (1997 ed.). The SG offers no reason why Congress would have intended to leave the institutions that create copyrighted works to the mercy of thousands of governmental units, so that they could freely use copyrighted work for their own regulatory purposes and, as the SG sees it, thus thrust the copyrighted work into the public domain.

Similarly unwarranted is the SG's attempt to limit § 201(e) to "government actions avowedly intended to coerce" the forfeiture of copyright. (U.S. Br. 17). The statutory text sweeps more broadly. It directs the courts to give no effect to *any* governmental "action purporting to * * * transfer" a person's copyright. This proscription encompasses the "action" the SG sees as "transferring" SBCCI's copyrighted model codes into the public domain. In both plain language and manifest purpose, § 201(e) bars that result.

The SG also claims that § 201(e) only applies to coercive acts of foreign despots (U.S. Br. 17 n.7), but that is shockingly bad history. Two predecessor bills introduced in the House and the Senate would have addressed only expropriations by a "foreign" government or "foreign state or nation." S. Rep. No. 1359, 93d Cong., 1st Sess. (1973); H.R. 2223, 94th Cong., 1st Sess. (1975). But the breadth of the protection was increased by the time § 201(e) became law. It protects copyright owners from any "action by *any governmental body* or other official" (emphasis added). The SG simply ignores the actual text of the statute.

Moreover, a substantial issue under the Takings Clause would arise, if the SG were correct in interpreting § 201(e) to permit the destruction of copyright protection by any governmental unit that chooses to make use of a copyrighted work. The desire to avoid precipitating such a constitutional problem led the Second and Ninth Circuits to hold that incorporation by reference does not undermine continuing copyright protection in these circumstances. See *CCC Info. Servs., Inc.* v. *Maclean Hunter Market Reports, Inc.*, 44 F.3d 61, 74 (2d Cir. 1994); *PMIC*, 121 F.3d at 520.

The SG speculates that SBCCI "presumably" would not have a takings claim and that *CCC* "seems inapposite," because "SBCCI invited the towns to enact its building code." (U.S. Br. 14 n.5). SBCCI, however, invited a *limited use* of its codes – incorporation by reference – but explicitly reserved its copyrights. Abandonment of copyright requires that the holder clearly demonstrate an intent to abandon the right. *E.g.*, *Dam Things from Denmark* v. *Russ Berrie & Co.*, 290 F.3d 548, 560 (3d Cir. 2002). The offer of a limited use, while preserving the owner's copyright, cannot be considered a waiver of all the rights in the property owner's bundle.

The SG's only mention of the National Technology Transfer and Advancement Act is to comment that it has not been violated. (U.S. Br. at 18-19). No one suggests that it was. The statute embodies a congressional policy requiring federal agencies to use privately-developed, copyrighted model codes and standards. In a stunning omission, the SG simply ignores the most directly relevant and explicit government policy on the question before the Court. It appears in OMB Circular A-119 issued by the agency that administers the Act. See *Chevron U.S.A., Inc.* v. *Natural Res. Def. Council*, 467 U.S. 837, 842-43 (1984). OMB commands that, when agencies incorporate copyrighted model codes and standards, they "***must observe and protect the rights of the copyright holder***." (Pet. 16, emphasis added). This directive rests on the premise, denied by the SG,

that copyright protection *survives* the agency's incorporation.

The SG admits there are "more than 7,000 references to privately developed codes and standards" in the C.F.R. (U.S. Br. 19). Without exception, as far as we know, every one of these incorporations by dozens of federal agencies proceeds on this previously settled premise: that copyright protection survives the agency's action. The agencies honor the continuing copyright, refraining from publishing the copyright owner's text or purporting to authorize others to do so. Instead, they make the text accessible on the same terms on which SBCCI's codes were available to Veeck: they are available for inspection in the adopting agency's office or for purchase from the copyright holder. (See Pet. 27-28).

Finally, as the SG notes, federal agencies (like their state and local counterparts) have pervasively incorporated privately copyrighted "codes and standards" (U.S. Br. 19) without distinguishing between the labels attached to particular formulations. They also have never considered it pertinent whether a particular formulation contained suggested enforcement mechanisms that the agency adopts (including suggested levels of criminal penalties for violation) or whether the enforcement regime is supplied by a separate federal, state or local statute. Nor has any agency at any level of government ever deemed it pertinent to consider whether the privately drafted copyrighted proposals are intended primarily (or even exclusively) for adoption as legal requirements or whether they also may have some voluntary, normative or educational role (as virtually all do, including SBCCI model codes). However these materials are characterized, drafted, or used in other settings, they are entitled to equal status in copyright law, even after a governmental unit makes them legally binding. If their creators intend to maintain their copyrights, nothing in the Copyright Act throws their property into the public domain.

II. A GENUINE CONFLICT EXISTS.

The SG acknowledges only one case as being on all fours with this one, the First Circuit's 1980 decision in *BOCA*, which he says is aligned with the majority below. He recites a litany of facts that supposedly distinguish this case from the Second and Ninth Circuit decisions that reached the contrary result. The SG is wrong on both counts.

The SG writes as if the First Circuit's *BOCA* decision had settled the issue in the infringer's favor. However, as the First Circuit itself recently explained in a decision the SG neglects to mention, the court in *BOCA* had "emphasized * * * strongly that it declined to reach a definitive conclusion." See *John G. Danielson, Inc.* v. *Winchester-Conant Properties, Inc.*, 322 F.3d 26, 39 (1st Cir. 2003). Indeed, the court suggested that, in light of the intervening decisions in other circuits, it might depart from the dictum on which the SG relies: "There are compelling arguments on both sides of the question we reserved in *BOCA*." *Id.* at 40.

Furthermore, as we noted in the Petition (at 9), the *BOCA* case was resolved on remand in an order in which the infringer "acknowledges the validity" of BOCA's copyright over the text of the State Building Code "based on Plaintiff's Basic Building Code/1978." Thus, the SG is off base in suggesting that it was *BOCA*, rather than the decision below, that jeopardizes the copyrights owned and enforced by dozens of private, not-for-profit organizations.

Turning to the existing conflict, the SG's recital of irrelevant factual distinctions cannot mask the conflict between the decision of the *en banc* majority below and the decisions of the Second and Ninth Circuits, which the six dissenting judges termed "diametrically opposite" (Pet. App. 39a) to the majority's holding. The Ninth Circuit expressly declared that its holding protected the copyrights in "privately authored model codes." *PMIC*, 121 F.3d at 519. The Second Circuit expressly refused to follow the *BOCA*

analysis on which the SG relies. *CCC*, 44 F.3d at 73-74. The SG completely ignores the square conflict over whether the "merger" doctrine applies when the government makes copyrighted proposals legally binding (see Pet. 11-12, 21-22). As the First Circuit recently observed, the circuits have reached at least "arguably inconsistent results" on the issues before the Court. *Danielson*, 322 F.3d at 38.

The SG's "distinctions" are pettifogging. He claims that SBCCI's model codes (like hundreds of other model codes and standards adopted by federal, state and local agencies) were designed to regulate "primary conduct," while the standards incorporated in the Second and Ninth Circuit cases also had other uses. That distinction is not only false but irrelevant. In all cases, the government agency decided to *require* the regulated persons to conform their conduct with privately developed standards, if they want to engage in the regulated activity: providing medical services covered by Medicare, selling automobile insurance, or constructing buildings. The ensuing copyright issue is the same: Does the government's decision to make the copyrighted proposals *binding* place the copyrighted material in the public domain? The First Circuit said maybe. The Second and Ninth Circuits said no. And nine of fifteen Fifth Circuit judges said yes.

Equally bewildering is the SG's assertion that the cases are somehow distinguishable because the standards at issue in *CCC* and *PMIC* "did not themselves regulate any conduct." (U.S. Br. 12). But neither did SBCCI's model building codes – until particular jurisdictions decided to require compliance. In all of the cases the proposed standards, including those contained in SBCCI codes, were merely a resource for professionals to consult and use voluntarily, if they chose to do so, unless and until the government required compliance with the standards as a condition of engaging in the regulated activity.

Another baffling "distinction" is that SBCCI's model

codes contain suggested enforcement penalties (which jurisdictions may adopt or not adopt), but the standards at issue in *PMIC* and *CCC* did not. The SG never bothers to explain why this "distinction" is relevant to determining whether a concededly valid copyright is lost when a jurisdiction elects to adopt this aspect of the proposal rather than to enact or apply a separate enforcement mechanism.

This case would be certworthy even in the absence of a circuit conflict. There is a 9-to-6 split over the meaning of this Court's century-old *Banks* decision. The case is exceptionally important to every American who expects accurate and up-to-date standards to govern safety, in homes, offices, factories, hospitals and schools.

III. FURTHER DELAY IN RESOLVING THE ISSUES WOULD NOT BE IN THE PUBLIC INTEREST.

The SG acknowledges that the "continued ability of private standards organizations to develop and update their materials at a high level of quality is of substantial importance to the federal government * * *." (U.S. Br. 19). For similar reasons, organizations representing thousands of state and local officials and agencies have appeared as *amici curiae* to urge the Court to grant review. The SG recognizes that eventually this Court will have to address these issues. (U.S. Br. 19-21). Yet he urges delay, suggesting that "further development of this area of the law by the lower courts will likely clarify the effect on standards organizations." (*Id.* 19).

That suggestion is unwise. Record evidence, widespread concern by numerous *amici curiae*, and common sense show that the Fifth Circuit's ruling will undermine the ability of these organizations to maintain their operations. The SG speculates that the Fifth Circuit's decision may not necessarily strip *all* model codes and standards of their copyright protection, because courts may draw unspecified distinctions among "the various settings in which the government uses privately copyrighted material." (U.S. Br.

16-17). But the Fifth Circuit's decision undercuts important and widely-adopted codes and standards, the very texts about which the government should be most concerned. The texts created by the other building code organizations (*amici* ICBO, BOCA, and ICC) are materially indistinguishable in form and governmental use from SBCCI's codes. Thousands of federal, state and local government units have adopted their codes. Those organizations provided evidence to the district court explaining that substantial reduction of their copyright revenues would "eventually destroy" their "ability to produce" their codes. R.154, 165, 178.

Moreover, major, comprehensive codes similar in scope and governmental use to the building codes, such as *amicus* NFPA's National Electrical Code and *amicus* ASME's Boiler and Pressure Vessel Code (which covers everything from home boilers to nuclear power plants) also are affected by the Fifth Circuit's rule. The Fifth Circuit's position, embraced by the SG, is that once *any* jurisdiction has adopted a code by reference, *anyone* may post it on the internet as Veeck did. Thus, it takes only *one* governmental use to throw the entire copyrighted work into the public domain. The record shows that these not-for-profit organizations operate on thin margins and derive from 33 to 90% of their revenues from copyright royalty sales. Common sense demonstrates that, if their material is available for free (or for a lower cost from publishers who bear no development costs), substantial revenues will drain away, forcing these organizations at least to curtail their operations severely.

It is cavalier to suggest that all these organizations and dozens of others, as well as the governmental bodies that depend on them, should be left in a legal limbo while more copyright disputes percolate in other circuits. The issues have been addressed by four circuits (including three extensive opinions in the 9-to-6 *en banc* decision below), by the major copyright treatises and by several other commentators. The issues are more than ripe for review in this case.

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